

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**GENERAL GOVERNMENT
PART 1: APPROPRIATIONS SUMMARY AND INDEX**
**2014 PA 252
FY 2014-15
Enacted**
Sec. 101. APPROPRIATION SUMMARY

1.	<u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, and some members of boards and commissions.	44.0
2.	<u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	7,747.2
3.	<u>GROSS APPROPRIATION</u> - Total appropriations	\$4,705,290,900
4.	<u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	740,374,200
5.	<u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	3,964,916,700
6.	<u>Federal revenue</u> - Funding allocated to the State by the Federal government.	689,103,500
7.	<u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	9,969,700
8.	<u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	6,287,200
9.	<u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	2,048,873,600
10.	<u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 52% of the general fund/general purpose (GF/GP) revenue is derived from the personal income tax. About 18% is from the Michigan Business Tax. General Fund/General Purpose revenue also comes from use tax, sales tax, insurance, cigarette, and several other taxes.	1,210,682,700
11.	<u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	1,434,623,200

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APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**GENERAL SECTIONS
PART 2: BOILERPLATE DETAIL**
2014 PA 252 Article VIII
GENERAL SECTIONS OF BOILERPLATE

Section Number	Description and History
201(1)	<p><u>Total State Spending in Part 1.</u> Reports estimated total State spending of \$3,259,556,300 and estimated payments to locals of \$1,434,623,200 from appropriations made in Part 1 of the General Governmental budget in FY 2014-15.</p> <p>Background: This subsection states the total state spending from State resources contained in Part 1 of the bill. It also lists the total payment to local units of government in Part 1 by department. This is a standard boilerplate section contained in all appropriation bills pursuant to 1984 PA 431. The statutory reference is MCL 18.1367.</p>
201(2)	<p><u>Total Statewide State Spending.</u> Reports estimated total State spending and payments to locals for all appropriation acts. Statewide across all budgets, it is estimated that total State spending from State resources is \$30,123,412,800 in FY 2014-15. Statewide payments to locals are estimated at \$16,428,104,600 which is 54.5% of the total State spending from State resources.</p> <p>Background: Section 367 of 1984 PA 431 requires that one appropriation bill contain a statement of estimated State spending to be paid to local units of government, total State spending from State resources, and the State-local proportion derived from that data. Article IX, Section 30 of the Constitution requires that "The proportion of total State spending paid to all units of local government, taken as a group, shall not be reduced below that proportion in effect in fiscal year 1978-79." The minimum proportion of total State spending that must be paid to local governments is 48.97%.</p>
201(3)	<p><u>Actual State Spending Reporting.</u> Requires reporting of actual total State spending and payments to locals within 30 days of book closing.</p> <p>Background: First included in FY 1995-96. This information is also required under MCL 18.1386, which requires the State Budget Director to prepare a Monthly Financial Report.</p>
202	<p><u>Management and Budget Act.</u> States that appropriations authorized under this Act are subject to the Management and Budget Act (1984 PA 431).</p> <p>Background: This is a standard section contained in all appropriation bills. The first version of this section was contained in the FY 1981-82 General Government Appropriation Bill. The former section provided that appropriations were subject to Act 18 of 1981. Act 18 was repealed by 1984 PA 431.</p>
203	<p><u>Definitions.</u> Lists definitions of acronyms used in the General Government article.</p> <p>Background: This is a standard section contained in all appropriation bills.</p>
206	<p><u>Transparency Website.</u> Requires departments and agencies to maintain a searchable website accessible to the public at no charge that includes information on expenditures by category, by appropriation unit, and payments to vendors, active employees by job classification, and job specifications and wage rates. Requires quarterly updates.</p> <p>Background: First included in FY 2011-12. Requirement for quarterly updates added in FY 2012-13.</p>

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Section Number	Description and History
207	<p><u>Return on Taxpayer Investment.</u> New language requires two reports to the Legislature for each new program or program increase. The first report due by November 1, 2014, shall list specific benchmarks intended to measure the performance or return on taxpayer investment of the program and its associated expenditures. The second report due by March 1, 2015, shall update the progress of the program and the status of expenditures for the program as measured by the benchmarks. Also added intent language that beginning with the FY 2015-16 budget, any new programs or spending increases for existing programs shall include a specific list of benchmarks that measure the performance or return on taxpayer investment of the program or program increase.</p> <p>Background: First included in FY 2014-2015.</p>
208	<p><u>Internet Reports.</u> Requires use of the Internet to fulfill reporting requirements unless otherwise specified. Reports may be distributed by electronic mail or placed on an internet or intranet site.</p> <p>Background: First included in FY 1999-2000.</p>
209	<p><u>Buy American Intent Language.</u> Prohibits use of funds for purchase of foreign goods or services if competitively priced and comparable quality American goods or services are available. Provides that preference should be given to goods or services, or both, manufactured or provided by Michigan businesses if they are competitively priced and of comparable quality. Also includes a preference for doing business with Michigan businesses owned and operated by veterans.</p> <p>Background: A version of this section was first included in FY 1992-93. The FY 2004-05 budget added language providing a preference for Michigan products.</p>
210	<p><u>Deprived and Depressed Communities.</u> Requires department directors to take all reasonable steps necessary to ensure businesses in deprived and depressed communities compete for and perform State contracts.</p> <p>Background: A version of this section was first included in FY 1991-92.</p>
211	<p><u>Budget and Stabilization Fund (BSF).</u> Shows the calculation used to determine if a General Fund appropriation to the Countercyclical Budget and Economic Stabilization Fund is required pursuant to Section 352 of the Management and Budget Act, MCL 18.1352 and to determine the eligible amount that may be withdrawn. In FY 2013-14, there is no pay-in required to the BSF. The section requires an appropriation of \$94.0 million GF/GP to the BSF in FY 2014-15.</p> <p>Background: The Budget Stabilization Fund was created by Public Act 76 of 1977. A statutory formula based on growth in Michigan personal income determines the amount to be deposited or withdrawn. This calculation is shown each year in the General Government bill. The transfer is not automatic, however. Pursuant to Attorney General Opinion 5204 of 1977, any transfer to the BSF must be by specific appropriation. The calculation was revised in FY 2013-14 to show both the projected pay-in and pay-out from the BSF and to align the calculation with the requirements of the Management and Budget Act which requires three years of estimates. The history of deposits and withdrawals to this fund is shown below:</p>

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Section Number	Description and History
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ECONOMIC AND BUDGET STABILIZATION FUND TRANSFERS, EARNINGS, AND FUND BALANCE FY 1995-96 TO FY 2013-14 (Millions of Dollars)				
Fiscal Year	Pay-In	Interest Earned	Pay-Out	Fund Balance
1995-96	\$91.3	\$59.2	\$0.0	\$1,153.6
1996-97	0.0	67.8	69.0	1,152.4
1997-98	0.0	60.1	212.0	1,000.5
1998-99	244.4	51.2	73.7	1,222.5
1999-00	100.0	73.9	132.0	1,264.4
2000-01	0.0	66.7	337.0	994.1
2001-02	0.0	20.8	869.8	145.1
2002-03	0.0	1.8	147.0	0.0
2003-04	81.3	0.0	0.0	81.3
2004-05	0.0	2.0	81.3	2.0
2005-06	0.0	0.1	0.0	2.0
2006-07	0.0	0.1	0.0	2.1
2007-08	0.0	0.1	0.0	2.2
2008-09	0.0	0.0	0.0	2.2
2009-10	0.0	0.0	0.0	2.2
2010-11	0.0	0.0	0.0	2.2
2011-12	362.7	0.2	0.0	365.1
2012-13	140.0	0.5	0.0	505.6
<u>Estimates:</u>				
2013-14	75.0	5.1	194.8	390.9
2014-15	111.5	3.9	0.0	506.3
Source: SFA, as of September 2013				

212 **Retention of Reports.** Requires departments and agencies receiving appropriations under this Act to receive and retain copies of all reports funded in the Act. Federal and State guidelines for retention of records shall be followed.

Background: First included in FY 1999-2000. This section was the result of an experience in which a specific report was not given to a Legislator.

213 **Casino Investment.** Prohibits use of funds appropriated in Part 1 from being used by a department or agency to purchase an ownership interest in a casino as defined in the Michigan Gaming Control and Revenue Act, MCL 432.201 to 432.226.

Background: First included in FY 1997-98. The original intent was to prevent the State from stepping in if any of the Detroit casinos were having financial trouble. The Bureau of Investments has no direct investment in a casino. They will not purchase more than a 5% interest in a Limited Liability Partnership with a casino interest, as provided by the Michigan Gaming Control and Revenue Act. If companies are a part of the S&P 500 Index or the Midcap Index, then the Bureau of Investments will consider a purchase of stock.

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Section Number	Description and History
215	<p><u>Communications with Legislators.</u> Prohibits disciplinary action against department employees for communicating with Legislators or their staff.</p> <p>Background: This section was first included in FY 2002-03. It originated with the Senate version of the bill and now is included in other appropriation bills.</p>
216	<p><u>Out-of-State Travel Report.</u> Requires a report by January 1 annually of travel by unclassified and classified employees outside the state funded by appropriated funds. The report must include the dates of each travel occurrence, the cost, and the proportion funded with GF/GP revenue, restricted revenue, federal revenue, and other revenue.</p> <p>Background: First included in FY 2004-05 as a prohibition on out-of-state travel unless exceptions were approved by the State Budget Director and a reporting requirement. Modified in FY 2012-13 to a reporting requirement only.</p>
217	<p><u>General Fund Expenditures.</u> Prohibits use of General Fund appropriations in cases where Federal funding is available for the same expenditures.</p> <p>Background: First included in FY 2004-05.</p>
219	<p><u>Department Scorecards.</u> Requires departments and agencies to maintain a publicly accessible website with a scorecard that identifies, tracks, and regularly updates key metrics to monitor and improve performance.</p> <p>Background: New in FY 2013-14. First proposed by the Governor.</p>
221	<p><u>Policy Change Reporting Requirement.</u> Requires each department to report by April 1 on each specific policy change made to implement enacted legislation.</p> <p>Background: First included in FY 2007-08.</p>
226	<p><u>Legal Services.</u> Prohibits the use of funds by a principal department, State agency, or authority to hire attorneys to perform duties that are the responsibility of the attorney general. The language excludes bond counsel and activities authorized by the attorney general.</p> <p>Background: First included in FY 2007-08.</p>
227	<p><u>Report of Fund Balances.</u> Requires that within 14 days of the release of the executive budget recommendation, the departments and agencies should work with the State Budget Director to provide an annual report on estimated State Restricted fund balances, revenues, and spending by restricted funds for FY 2013-14 and FY 2014-15.</p> <p>Background: First included in FY 2011-12.</p>
228	<p><u>Lapse Report.</u> Requires each department or agency to submit a report of estimated general fund/general purpose year-end lapses by November 30.</p> <p>Background: First included in FY 2008-09. In FY 2011-12 the report date was moved from October 15 to November 15. The report date was moved to November 30 in FY 2013-14.</p>
229	<p><u>Audit Savings.</u> Requires a department or agency to report on efforts to implement savings or efficiencies identified by an audit completed by The Office of the Auditor General. The report is due within 6 months of the release of the audit.</p> <p>Background: This section was added by the House in FY 2010-11.</p>

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Section Number	Description and History
231	<p><u>Intent Language on FTE Spending Limits and Required Reports.</u> States legislative intent that departments and agencies properly account for their spending and not use classified positions as placeholders for spending in other parts of the budget. Requires a report on February 1 of the number of filled, full-time equated positions in pay status during the preceding fiscal year. The report must include the number of filled FTE positions in pay status by line item for the last pay period of each quarter. The report also must list the funded FTE positions by position title.</p> <p>Background: This Section was added by the House in FY 2012-13.</p>
233	<p><u>Related Federal and State Restricted Funds for Special Maintenance.</u> Language states that in addition to the GF/GP appropriation in Part 1 for special maintenance and remodeling, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1.</p> <p>Background: This language was formerly included in the DTMB portion of the budget as Sec. 822a and first included in the FY 2012-13 budget. This language was moved to the General Section of the General Government budget beginning in FY 2014-15.</p>
234	<p><u>Related Federal and State Restricted Funds for Enterprisewide IT Investments.</u> Language states that in addition to the GF/GP appropriation in Part 1 for enterprisewide information technology investments, related Federal and State restricted funds will be appropriated up to the amounts that will be earned based upon the initiatives undertaken with the funds in Part 1.</p> <p>Background: This language was formerly included in the DTMB portion of the budget as Sec. 822b and first included in the FY 2012-13 budget. This language was moved to the General Section of the General Government budget beginning in FY 2014-15.</p>
235	<p><u>Request for Information (RFI) or Request for Qualifications (RFQ).</u> Requires that prior to issuing any request for proposal (RFP) for a contract of \$5.0 million or more, each department or agency must first consider issuing an RFI or RFQ to evaluate the market relative to the RFP under development. Prior to issuing the RFP, each department or agency must notify the Department of Management and Budget of the evaluation used to determine if an RFI or RFQ was necessary or not.</p> <p>Background: The initial version of this language was added by the Senate in FY 2013-14. Conference adopted a modified version of the Senate proposal.</p>
239	<p><u>Energy Performance in State Buildings.</u> Language requires DTMB, with the assistance of the Michigan Energy Office, to assess the energy performance of State-owned buildings so that departments and agencies are better able to identify priority projects for energy improvements that can be achieved with internal resources and energy savings performance contracts under the cost-effective Governmental Energy Use Act.</p> <p>Background: This language was added by the House in FY 2014-15 and concurred in by the Conference Committee.</p>

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Sec. 102(1) APPROPRIATION SUMMARY

1. <u>Full-time equated (FTE) unclassified positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, and some members of boards and commissions.	6.0
2. <u>Classified FTE positions</u> - All positions in classified State civil service. One FTE position equals 2,088 hours.	513.5
3. <u>GROSS APPROPRIATION</u> - Total appropriations	\$93,822,300
4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	27,783,800
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	66,038,500
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	9,857,200
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	0
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	17,914,200
10. <u>State general fund/general purpose (GF/GP)</u> - Revenue that has no constitutional or statutory restrictions on how it is used.	38,267,100
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	0

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Sec. 102 (2) ATTORNEY GENERAL OPERATIONS

1. Attorney general \$112,500

The Attorney General is a constitutional officer who acts as the chief law enforcement officer of the State, and as the head of the Department of Attorney General. Public Act 232 of 1919 empowers the Attorney General to intervene in any action in any court of the State whenever such intervention is necessary to protect any right or interest of the State, or the people of the State. The Revised Statutes of 1846 provide that the Attorney General shall prosecute and defend all actions in which the State shall be interested. The Attorney General also advises and supervises local prosecuting attorneys in all matters pertaining to the duties of their offices. The salary of the Attorney General is set by the State Officers Compensation Commission under amendments to the State Constitution approved by the voters on August 6, 2002. The position of Attorney General counts as one of the department's 6.0 unclassified positions.

2. Unclassified positions \$724,700

Unclassified FTE positions 5.0

This line item funds 5.0 FTE unclassified positions. These positions consist of the Solicitor General, Director of Public Affairs, Chief Legal Council, Constituent Relations Representative, and Special Assistant to the Attorney General.

3. Attorney general operations \$82,072,700

Classified FTE positions 475.5

The Department of Attorney General has offices in Lansing, Detroit, and Grand Rapids.

The Department is organized into the bureaus of Criminal Justice and Consumer and Environmental Protection and divisions for the Solicitor General and Public Affairs:

Criminal Justice Bureau

- Alcohol and Gambling Enforcement Division
- Child Support Division
- Children and Youth Services Division
- Civil Rights Division
- Corrections Division
- Criminal Division
- Health Care Fraud Division

Consumer and Environmental Protection Bureau

- Consumer Protection Division
- Corporate Oversight Division
- Environment, Natural Resources, and Agriculture Division
- Health, Education, and Family Services Division
- Finance Division
- Labor Division
- Licensing and Regulation Division

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- Public Employment, Elections, and Tort Division
- Public Service Division
- Revenue and Collections Division
- State Operations Division
- Transportation Division

Solicitor General

- Appellate Division
- Opinions

Public Affairs

- Office of Communications
- Office of Constituent Relations
- Office of Legislative Affairs

A majority of the Department's workload is related to representing the State in legal actions. The Attorney General had approximately 39,000 cases during FY 2012-13. In FY 2012-13, the Attorney General was awarded \$584.0 million in settlements and awards payable to State departments and agencies and the citizens of Michigan. The largest components of this amount are from the tobacco settlement (\$385.0 million); Walkabout Chapter 11 Bankruptcy-Refinanced payment to MSHDA (\$63.0 million); and Healthcare Fraud (\$10.7 million). During the same fiscal year, the State paid about \$85.6 million for judgments and settlements.

4. Child support enforcement \$3,445,000

Classified FTE positions 25.0

This division was established by the Attorney General in 2003. Funding for the program consists of \$2,578,000 in Federal Title IV-D funding and \$856,200 in GF/GP revenue.

5. Prosecuting attorneys coordinating council \$2,106,100

Classified FTE positions 12.0

The Prosecuting Attorneys Coordinating Council (PACC) was created as an autonomous entity within the Department of Attorney General by the Prosecuting Attorneys Coordinating Office Act (1972 PA 203). The statute provides that the Council shall keep prosecuting attorneys and assistant prosecuting attorneys of the State informed on changes in legislation, law, and matters pertaining to their office with a goal toward a uniform system of conduct, duty and procedure being established in each county of the State. The PACC provides continuing professional education for prosecutors and their staff, assists with legal research, and information technology services. In particular, the PACC operates the case tracking system that tracks and communicates arrest and conviction information among courts, law enforcement, Department of Corrections, victims, and other agencies. It also generates warrants, subpoenas, and notices, including victims' rights notices. This software is used by 79 counties.

The PACC administers a prosecutor training grant funded from the Michigan Justice Training Fund. Revenue in the Fund is generated from a \$5.00 assessment on certain civil infractions, excluding parking tickets. Under statute and the provisions of Executive Order 2001-5, funds are awarded by the Michigan Commission on Law Enforcement Standards. Sixty percent of the Fund is distributed on a per capita basis to police departments. The balance (40%) is distributed through a competitive grant process. PACC applies for a grant of all 83 county prosecutors. In FY 2014-15, this funding is appropriated as a \$162,900 IDG from the Michigan Department of

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State Police, Michigan Justice Fund. The funds are used for county prosecutors and their staff to attend PACC training or other approved training.

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| 6. | <u>Public safety initiative</u> | \$904,300 |
| | Classified FTE positions | 1.0 |

This line item was added in FY 2012-13 to fund special attorneys general to assist in clearing a backlog of outstanding cases in financially distressed cities including Flint, Saginaw, Pontiac, and Detroit.

Unit Gross Appropriation	\$89,365,300
Interdepartmental grant revenues	27,783,800
Federal revenues	9,857,200
Total state restricted revenues	17,914,200
State general fund/general purpose	33,810,100

Sec. 102 (3) INFORMATION TECHNOLOGY

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|----|---|-------------|
| 1. | <u>Information technology services and projects</u> | \$1,457,000 |
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This line funds a portion of the information technology charges paid by the Department of Attorney General to the Department of Technology, Management, and Budget (DTMB). The line item was increased by \$500,000 in FY 2012-13 to reduce the amount of information technology charges absorbed by the operations line.

Executive Order 2009-55 transferred the responsibilities of the former Department of Information Technology to the newly combined DTMB. Previously, Executive Order 2001-3 centralized all technology related positions and functions and created the Department of Information Technology (DIT). Beginning in FY 2002-03, appropriation bills consolidated funding within each department for information technology services into a new appropriation unit. Seven FTE positions were initially transferred from the Department of Attorney General to DIT. In FY 2003-04 2.0 FTE additional positions were transferred to DIT from Attorney General Operations.

Unit Gross Appropriation	\$1,457,000
State general fund/general purpose.	1,457,000

Sec. 102 (4) ONE-TIME BASIS ONLY APPROPRIATIONS

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|----|-----------------------------|-------------|
| 1. | Sexual assault prosecutions | \$3,000,000 |
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This one-time funding is added for FY 2014-15 to provided funding for sexual assault prosecutions resulting from rape kit testing results found at the now closed Detroit Crime Lab.

Unit Gross Appropriation	\$3,000,000
State general fund/general purpose	3,000,000

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Section Number	Description and History
301	<p><u>Contingency Fund Appropriations.</u> Provides that a limited amount of Federal, State Restricted, local, and private revenues that come in during the year, such as a new Federal grant, can be appropriated upon approval of a contingency fund transfer to a line item by the Appropriations Committees of both houses of the Legislature. Contingency fund transfers are limited to the following revenue amounts: \$1,500,000 Federal, \$1,500,000 State Restricted, \$100,000 local, and \$100,000 private.</p> <p>Background: Contingency fund language was re-inserted in FY 2007-08.</p>
302	<p><u>Attorney General Responsibilities.</u></p> <p>Section 302(1) provides that the Attorney General shall perform all legal services to principal executive departments and State agencies. Prohibits executive departments and agencies from employing or contracting with other persons for legal services.</p> <p>Background: This subsection was first included in FY 1973-74. The language has been in every subsequent annual General Government Appropriation Bill. The Executive Budget Recommendation for FY 1974-75 transferred 17 attorney positions and 13.4 support positions from other departments because the positions provided legal assistance.</p> <p>Section 302(2) requires the Attorney General to defend judges of State courts in civil actions related to the performance of the judge's duties.</p> <p>Background: This subsection was added in FY 1984-85 due to legislative concerns related to the Judiciary hiring private counsel to defend a trial court judge in Wayne County.</p> <p>Section 302(3) provides that the Attorney General shall perform all duties specified in Chapter 12 of the Revised Statutes of 1846, MCL 14.28 to 14.35, which consist of:</p> <ul style="list-style-type: none"> • Prosecuting and defending all actions in the Supreme Court with a State interest. (MCL 14.28) • Intervening in any matter, civil or criminal, in which the people of the State have an interest. (MCL 14.28) • Handling all suits relating to State departments. (MCL 14.29) • Supervising and advising prosecuting attorneys and submitting reports. (MCL 14.30 & 14.31) • Giving opinions on questions of law submitted by the Legislature, Governor, Auditor General, Treasurer, or other State officials. (MCL 14.32) • Depositing lawsuit cash proceeds into a restricted fund in the State Treasury to be used as provided by law. (MCL 14.33) • Maintaining records of all proceedings in which the Attorney General participates. (MCL 14.34) • Appointing assistant attorneys general. (MCL 14.35) <p>The subsection also requires the Attorney General to carry out the duties of Public Act 232 of 1919, MCL 14.101 to 14.102, which provides for the Attorney General to intervene in any action in any court to protect the interests of the State or the people. The Attorney General can bring and prosecute any action on behalf of the State or the people in the Circuit Court of Ingham County. Finally, the subsection requires the Attorney General to perform duties otherwise provide by law.</p> <p>Background: This section has been in for many years and refers to the statutory responsibilities of the Attorney General.</p>

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Section Number	Description and History												
303	<p><u>Biennial Reports.</u> Authorizes the sale of biennial reports in excess of the 350 copies that may be distributed on a gratis basis. Requires price to be set at not less than the actual cost and money received from the sale of reports shall be deposited in the State General Fund. The section requires that electronic copies of the report shall be available on the Attorney General's website.</p> <p>Background: Gratis copies of the biennial report are provided to the State Library, county prosecutors, State agencies, Attorney General Divisions, the Michigan Supreme Court, and the United States Supreme Court. Report revenue was \$702.00 in FY 2011-12. In FY 2003-04, the number of gratis copies was reduced from 500 to 350 and the language changed to specifically provide that the Legislature shall not receive gratis copies. The FY 2003-04 changes also required the Department to make the report available on the Internet.</p>												
304	<p><u>State Employee Worker's Disability Compensation Cases.</u> The Attorney General retains responsibility for legal representation of State of Michigan State employee worker's disability compensation cases. Specifies that the Risk Management Revolving Fund appropriation which supports this work is funded by billings for the actual cost of legal representation.</p> <p>Background: First included in FY 1995-96 due to the privatization of the State Accident Fund. The language was modified in FY 2003-04 to reflect a change in the Third Party Administrator for these cases.</p>												
305	<p><u>Third Circuit Court Food Stamp Fraud Cases.</u> Appropriates up to \$400,000, in addition to amounts appropriated in Part 1, for reimbursement for food stamp fraud cases heard by the Third Circuit Court of Wayne County, which were initiated by the Attorney General.</p> <p>Background: This section was first included in FY 1997-98 due to Court Reorganization legislation enacted in 1996. The reimbursement of Federal funds to Wayne County was previously included in the Judiciary Budget pursuant to a contract between the Family Independence Agency, the Prosecuting Attorneys Association of Michigan, and the Department of Attorney General. No reimbursement payments have been made to Wayne County since 2008 and none are anticipated because the AG is currently handling cases in-house.</p>												
306	<p><u>Tobacco Litigation.</u> Provides that any proceeds from a lawsuit or settlement agreement initiated by the State against a manufacturer of tobacco products are State funds and subject to the appropriations process.</p> <p>Background: This section was first included in FY 1997-98.</p>												
307	<p><u>Revenue from Enforcement Cases.</u> Appropriates up to \$250,000 in enforcement revenue or attorney fees recovered from antitrust, securities fraud, consumer protection, or class action enforcement to cover the costs of those cases. Permits up to \$250,000 of this revenue to carryforward.</p> <p>Background: This section was added by a supplemental, Public Act 360 of 2004, and included in subsequent State budgets. It had been vetoed previously from the annual budget for FY 2004-05 (Public Act 327 of 2004) with a carryforward amount of \$1,000,000. Recent revenue carried forward is as follows:</p> <table><tr><td>FY 2007-08</td><td>\$756,000</td><td>FY 2010-11</td><td>\$0</td></tr><tr><td>FY 2008-09</td><td>\$525,000</td><td>FY 2011-12</td><td>\$0</td></tr><tr><td>FY 2009-10</td><td>\$45,000</td><td>FY 2012-13</td><td>\$0</td></tr></table>	FY 2007-08	\$756,000	FY 2010-11	\$0	FY 2008-09	\$525,000	FY 2011-12	\$0	FY 2009-10	\$45,000	FY 2012-13	\$0
FY 2007-08	\$756,000	FY 2010-11	\$0										
FY 2008-09	\$525,000	FY 2011-12	\$0										
FY 2009-10	\$45,000	FY 2012-13	\$0										

**DEPARTMENT OF ATTORNEY GENERAL
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History												
308	<p><u>Litigation Expense Reimbursement.</u> Appropriates up to \$500,000 from litigation expense reimbursements awarded to the State. Provides that funds may be used to pay litigation settlements or attorney fees assessed against the Office of the Governor, the Department of Attorney General, the Governor or the Attorney General when acting in an official capacity as the named party in litigation against the State. The funds may also be expended for State costs incurred pursuant to MCL 770.16 (DNA testing). Allows up to \$500,000 in unexpended funds to be carried forward.</p> <p>Background: This section was first included in a supplemental appropriation bill for FY 2001-02 (2002 PA 530). The Department was absorbing costs related to litigation adversely resolved against the State. Therefore, this language was included to earmark a portion of the costs received by the State for litigation decided in the State's favor to cover these costs. Reimbursements pursuant to this section in recent years are as follows:</p> <table><tr><td>FY 2007-08</td><td>\$431,000</td><td>FY 2010-11</td><td>\$116,000</td></tr><tr><td>FY 2008-09</td><td>\$31,000</td><td>FY 2011-12</td><td>\$65,000</td></tr><tr><td>FY 2009-10</td><td>\$199,000</td><td>FY 2012-13</td><td>\$66,000</td></tr></table> <p>The section was modified in FY 2013-14 to remove the prohibition against using the revenue for salaries and support costs.</p>	FY 2007-08	\$431,000	FY 2010-11	\$116,000	FY 2008-09	\$31,000	FY 2011-12	\$65,000	FY 2009-10	\$199,000	FY 2012-13	\$66,000
FY 2007-08	\$431,000	FY 2010-11	\$116,000										
FY 2008-09	\$31,000	FY 2011-12	\$65,000										
FY 2009-10	\$199,000	FY 2012-13	\$66,000										
309	<p><u>Prisoner Reimbursement Funds.</u> Authorizes the AG to spend up to \$614,400 on activities related to the State Correctional Facilities Reimbursement Act, 1935 PA 253, MCL 800.401-800.406. Provides that if the Department of Attorney General collects in excess of \$1,131,000, the excess, limited up to \$1,000,000, may be spent on the representation of the Department of Corrections and its officers, employees and agents in defense of litigation or civil actions filed by prisoners.</p> <p>Background: This section was first included in FY 2003-04. The increased authorization for restricted funding offset a General Fund reduction of \$800,000. This section was modified by two FY 2003-04 supplemental appropriation bills (2003 PA 173 and 2003 PA 237), and the FY 2004-05 appropriation bill. Carry forward authorization included by the Legislature in FY 2004-05 and FY 2005-06 was vetoed by the Governor in both years. In FY 2011-12 the Attorney General recovered \$2,891,000 from prisoner reimbursement cases. In FY 2013-14 the limit on spending was increased from \$497,900 to \$614,400.</p>												
310	<p><u>Child Support Funding.</u> Requires the Department of Human Services to maintain a cooperative agreement with the Attorney General for Federal IV-D funding to support the child support enforcement activities of the Attorney General. The section provides that the Attorney General shall have access (to the extent allowable by Federal law) to any information used by the State to locate parents who fail to pay child support.</p> <p>Background: First included in FY 2003-04 consistent with the creation of the Child Support Enforcement Division within the Department of Attorney General.</p>												
312	<p><u>Spending Prohibition.</u> Prohibits the use of funds in addition to those appropriated in Part 1 for providing legal services to State departments or agencies. Includes exceptions for costs of expert witnesses, court costs, or nonsalary costs of litigation.</p> <p>Background: This section was added in FY 2007-08.</p>												

**DEPARTMENT OF ATTORNEY GENERAL
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
315	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$9,790,800 and retiree health care legacy costs are estimated at \$7,903,300.</p> <p>Background: This section was added in FY 2014-15.</p>
320	<p>Sexual Assault Prosecutions. Requires the Attorney General to provide a detailed spending plan for the appropriations in Part 1 for sexual assault prosecutions resulting from the findings of rape kit testing results discovered by the Michigan State Police upon the closure of the Detroit Crime Lab.</p> <p>Background: This section was added in FY 2014-15.</p>

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF CIVIL RIGHTS PART 1: LINE ITEM DETAIL
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2014 PA 252 FY 2014-15 Enacted

Sec. 103 (1) APPROPRIATION SUMMARY

1. <u>Full-time equated (FTE) unclassified positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, and a limited number of policy-making positions in departments.	6.0
2. <u>FTE classified positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	132.0
3. <u>GROSS APPROPRIATION</u> - Total appropriations	\$16,644,200
4. <u>Interdepartmental grants (IDG)</u> - Funds that also are appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	288,900
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	16,355,300
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	2,736,500
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	18,700
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	151,900
10. <u>State general fund/general purpose (GF/GP)</u> - Revenue that has no constitutional or statutory restrictions on how it is used.	13,448,200
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	0

**DEPARTMENT OF CIVIL RIGHTS
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Enacted**

Sec. 103 (2) CIVIL RIGHTS OPERATIONS

1. Unclassified positions \$724,700

Unclassified FTE positions 6.0

The positions funded in this line are the Director of the Department and the Director of the Women's Commission. Only salaries are funded through this line. Fringe benefits for these positions are included in the Operations line item. The line was increased by \$17,700 in FY 2014-15. In FY 2012-13, as part of the leadership target agreement on the budget, the line was increased by \$432,900 to \$700,000 and the position authority was increased from 5.0 to 6.0.

For the decade prior to FY 2012-13, this line only had sufficient funding for 2.0 out of the 5.0 authorized positions. Executive Order 2001-9 reduced this line item in FY 2001-02. The line item was unchanged from FY 2002-03 to FY 2008-09. An increase of \$2,400 was made in FY 2009-10.

2. Civil rights operations \$14,091,800

Classified FTE positions 124.0

This line supports all operations of the Department. Article V, Section 29 of the Michigan Constitution of 1963 charges the Civil Rights Commission with investigating "alleged discrimination against any person because of religion, race, color, national origin in the enjoyment of the civil rights guaranteed by law and by this constitution, and to secure the equal protection of such civil rights without such discrimination." The Department has offices in Lansing, Detroit, Flint, Grand Rapids, and Marquette (one person). Offices in Saginaw and Kalamazoo were closed in June 2009 and the office in Benton Harbor was closed in 2005. The Department carries out its duties with the following divisions:

- a. Office of Civil Rights Operations. The office houses the Intake Unit and the Enforcement Division which is responsible for investigations of alleged unlawful discrimination in employment, education, housing, public accommodation, law enforcement, and public service. The Department investigates dually filed (with both the State and the EEOC) cases on contract for the Federal government and State cases that are not dually filed. The Michigan Department of Civil Rights (MDCR) serves as a Fair Housing Assistance Program, investigating cases for the U.S. Department of Housing and Urban Development. The State receives a grant of up to \$2,600 for each housing case that is investigated and resolved. The maximum payment is received for cases resolved within 100 days. The State is paid based on the actual number of cases completed. The State is also a Fair Employment Practices Agency, investigating cases on a contract with the Federal Equal Employment Opportunity Commission (EEOC). The EEOC provides the State with funding at the rate of \$650 for each EEOC case that is closed. The number of cases paid is set in a contract which can be modified through a State-petition process. The office also provides education and referrals to other organizations.

**DEPARTMENT OF CIVIL RIGHTS
PART 1: LINE ITEM DETAIL**

**2014 PA 252
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Enacted**

The Michigan Department of Civil Rights Annual Report shows the following data:

Fiscal Year	Complaints Opened	Complaints Closed	Est. Settlements & Salaries to Claimants (in millions)
2006-07	2,642	2,294	\$2.3
2007-08	2,845	2,637	2.5
2008-09	2,745	2,503	3.1
2009-10	2,516	2,657	3.2
2010-11	2,169	2,335	2.3
2011-12	2,022	2,835	2.5
2012-13	2,196	2,183	4.5

- b. Office of Law and Policy. The functions of this office include Legal Affairs and Hearings and Mediation. Legal staff review policies and legislation, provide advice and education, prepare charges, and conduct litigation when necessary.
- c. Office of Public Affairs and Administrative Services. This office consists of Community Relations, Public Affairs/Communication, Business and Community Affairs (including the Contractor Review Unit), Management Services, and the Michigan Indian Tuition Waiver. These divisions are engaged in training, community liaison relationships, (for example, with law enforcement), and developing and providing responses to communities with hate crime or bias-related events. This unit focuses on building relationships with community agencies and organizing coalitions. Potential partners include federal, state, and local law enforcement, community and faith-based agencies, colleges, youth groups, and other human and civil rights groups. The Community Relations Division activates these coalitions for outreach services and for responding to specific incidents. The Contract Compliance unit reviews State contractors for compliance with anti-discrimination laws and policies. For contracts over \$100,000, State contractors must obtain a Certificate of Awardability from the Department. The Office of Management Services tracks cases and facilitates department operations. Beginning in 2011, the Department of Civil Rights administered the application process for the Michigan Indian Tuition Waiver which provides free tuition to eligible Native Americans pursuant to PA 174 of 1976.
- d. Michigan Women's Commission. The Michigan Women's Commission was established in Public Act 1 of 1968. It was transferred to the Department of Civil Rights by Executive Order 1991-21. This Commission has 15 members appointed by the Governor and four ex officio members from other State departments. The Women's Commission is directed to review the status of women in the State, promote their interests, and help develop resources related to education and services.

**DEPARTMENT OF CIVIL RIGHTS
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Enacted**

3. <u>Division on deaf and hard of hearing</u>	\$785,600
Unclassified FTE positions	6.0
<p>This line item was renamed in FY 2012-13 to reflect the work funded by the line. This includes the testing, certification, and registration of interpreters for the hearing impaired. The division also advocates on issues for the deaf and hard of hearing, investigates complaints, and maintains a registry of service animals.</p> <p>Executive Order 2011-4 transferred Division on Deaf and Hard of Hearing, which at the time was within the Commission on Disability Concerns, from the Department of Licensing and Regulatory Affairs to the Department of Civil Rights. This line was added to the department's budget for FY 2011-12. Executive Order 2012-10 transferred the responsibilities of the Commission on Disability Concerns to the Department of Civil Rights and abolished the Commission on Disability Concerns.</p>	
4. <u>Hispanic/Latino commission of Michigan</u>	\$255,600
Unclassified FTE positions	1.0
<p>The Commission on Spanish-Speaking Affairs was established by PA 164 of 1975 and renamed the Hispanic/Latino Commission of Michigan by PA 146 of 2010. The mission of the Commission is to "...promote the interest of Hispanics in Michigan, increasing opportunities in education, business and all other aspects of public life." The 15 members of the Commission are appointed by the Governor with the advice and consent of the Senate. The Commission was transferred to the Department by Executive Order 2011-4.</p>	
5. <u>Asian Pacific American affairs commission</u>	\$110,800
Unclassified FTE positions	1.0
<p>This line item is new for FY 2012-13. The Asian Pacific American Affairs Commission was created by PA 536 of 2008, however, FY 2012-13 is the first year of State funding. The mission of the Asian Pacific American Affairs Commission is to "...advance the full and equal participation of Asian Pacific Americans in the building of a greater Michigan." Executive Reorganization Order 2009-16 revised the Commission. It provides for 21 members appointed by the Governor subject to disapproval by the Senate. The Commission was transferred to the Department by Executive order 2011-4.</p>	
Unit Gross Appropriation	\$15,968,500
Interdepartmental grant revenues	288,900
Federal revenue	2,721,500
Private	18,700
State restricted	151,900
State general fund/general purpose	12,787,500

Sec. 103 (3) INFORMATION TECHNOLOGY1. Information technology services and projects

\$675,700

Executive Order 2001-3 created the Department of Information Technology (DIT) which is now in the Department of Technology, Management, and Budget. In FY 2002-03, 5.0 FTEs were transferred to the new department from the Department of Civil Rights. The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.

Unit Gross Appropriation**\$675,700**

Federal

15,000

State general fund/general purpose

660,700

**DEPARTMENT OF CIVIL RIGHTS
PART 2: BOILERPLATE DETAIL**

2014 PA 252, Article VIII

Section Number	Description and History
401	<p><u>Contingency Funds.</u> Provides for the appropriation of up to \$2.0 million in Federal revenues and up to \$750,000 in private revenues received during the year upon approval by the Appropriations Committees of both Houses of the Legislature through the Legislative transfer process.</p> <p>Background: Authorization for private contingency funds was added in FY 2011-12 because the department was seeking private foundation support for initiatives related to hate crime response and prevention. The FY 2012-13 budget increased the private contingency fund authority from \$500,000 to \$750,000.</p>
402	<p><u>Receipt and Expenditure of Additional Funds.</u> Provides that the Department may receive and expend funds from local or private sources in addition to appropriations in Part 1 for training, sale of publications, mediation processes, providing copies, for workshops and award programs, and for staffing costs related to services provided to local governments and the public. Requires annual report on receipts and expenditures.</p> <p>Background: Revenue received pursuant to this section recently averaged approximately \$40,000 per year. Authority to use revenue for staffing costs was new in FY 2011-12.</p>
403	<p><u>Local Government Contracts.</u> Allows the Department to contract with local governments to review equal opportunity compliance of potential contractors. May charge for and expend funds received for this purpose.</p> <p>Background: The Contract Compliance Unit reviews contractors seeking to be awarded contracts with the State for equal opportunity compliance. This section permits the Department to extend this service to local units of government.</p>
404	<p><u>Departmental Report.</u> Requires the Department to prepare and submit by November 30 a detailed report that includes at least the following items for the previous fiscal year: (a) detailed description of Department operations; (b) a detailed description of the subunits in the departments, the positions in each subunit, responsibilities by subunit, and revenues and expenditures by subunit; (c) the number of complaints by type; (d) the average cost and time spent investigating complaints; (e) the percentage of complaints that merit investigation or settlement and the percentage of complaints found to have no merit; (f) a listing of amounts awarded to claimants; (g) spending on complaint investigation and enforcement; (h) a list of complaint investigations closed per FTE position for the past 5 years; (i) a list of complaint evaluations completed per FTE position for the past 5 years; and (j) productivity projections.</p> <p>Background: This section was added in FY 2013-14. Items i and j were added in FY 2014-15.</p>
405	<p><u>Notification Prior to Submitting Federal Reports or Complaints.</u> Requires the Department to notify the Office of the State Budget, the Senate and House of Representatives appropriations committees, and the fiscal agencies prior to submitting a report or complaint to the U.S. Commission on Civil Rights or other federal department.</p>
410	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$1,745,300 and retiree health care legacy costs are estimated at \$1,394,200.</p> <p>Background: This section was added in FY 2014-15.</p>



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

EXECUTIVE OFFICE PART 1: LINE ITEM DETAIL

2014 PA 252
FY 2014-15
Enacted

Sec. 104 (1) APPROPRIATION SUMMARY

- | | |
|---|--------------------|
| 1. <u>Full-time equated (FTE) exempted positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature. | 10.0 |
| 2. <u>Classified FTE positions</u> - All positions in classified State civil service. One FTE position equals 2,088 hours. | 78.2 |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | \$5,916,100 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations. | 0 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 5,916,100 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 0 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 0 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 0 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 0 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 5,916,100 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 0 |

EXECUTIVE OFFICE PART 1: LINE ITEM DETAIL
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2014 PA 252
FY 2014-15
Enacted

Sec. 104 (2) EXECUTIVE OFFICE OPERATIONS

1. <u>Governor</u>	\$159,300
This line item funds the salary of the Governor, which is determined by the State Officers Compensation Commission subject to the approval of the Legislature pursuant to Article IV, Section 12 of the Michigan Constitution.	
2. <u>Lieutenant governor</u>	\$111,600
This line item funds the salary of the Lieutenant Governor, which is determined by the State Officers Compensation Commission subject to the approval of the Legislature pursuant to Article IV, Section 12 of the Michigan Constitution.	
3. <u>Executive office</u>	\$4,387,900
Classified FTE positions	78.2
This line item supports the Office of the Governor and the Lieutenant Governor. It also includes funding for the expense allowances determined by SOCC, fringe benefit costs, and other position related costs. The structure of the Office of the Governor includes the following: Office of the Lieutenant Governor; Legal; Cabinet Affairs and Management; Administration, which includes Operations, Appointments, and Constituent Services; External Affairs, which includes Scheduling, Governor's Upper Peninsula Office, and Governor's Southeastern Michigan Office; Communications and Planning; and Strategic Initiatives, which includes Legislative Affairs and Governor's Washington, DC office. Funding of \$385,000 and an additional 4.0 FTEs were added in FY 2014-15.	
4. <u>Unclassified Positions</u>	\$1,257,300
Unclassified FTE positions	8.0
Article XI, Section 5, of the Michigan Constitution exempts eight positions in the Office of the Governor from the classified civil service. The position titles and job responsibilities of those positions are determined by the Governor.	
Unit Gross Appropriation	\$5,916,100
State general fund/general purpose	5,916,100

**EXECUTIVE
PART 2: BOILERPLATE DETAIL
2014 PA 252**

Section

Number

Description and History

None



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

<p align="center">LEGISLATURE PART 1: LINE ITEM DETAIL</p>

**2014 PA 252
FY 2014-15
Enacted**

Sec. 105 (1) APPROPRIATION SUMMARY

- | | |
|---|----------------------|
| 1. <u>Full-time equated (FTE) exempted positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature. | N/A |
| 2. <u>Classified FTE positions</u> - All positions in classified State civil service. One FTE position equals 2,088 hours. | N/A |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | \$131,930,500 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations. | 0 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 131,930,500 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 0 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 0 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 400,000 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 4,109,800 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 127,420,700 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 0 |

LEGISLATURE PART 1: LINE ITEM DETAIL

2014 PA 252 FY 2014-15 Enacted

Sec. 105 (2) LEGISLATURE

1.	<u>Senate</u> This line item funds Senate central staff, partisan staff, the Office of the Secretary of the Senate, Senators' compensation, and Senate office budgets.	\$32,150,600
2.	<u>Senate automated data processing</u> This line provides funding for Senate information technology costs in the Senate Information Systems (SIS) Office.	\$2,541,600
3.	<u>Senate fiscal agency</u> The Senate Fiscal Agency (SFA) is a nonpartisan legislative agency created to provide the Michigan Senate with assistance in two principal ways: providing staff support to the Senate Appropriations Committee and assisting all members of the Senate on State budget-related issues; and providing analysis of all proposed legislation being considered by the Senate.	\$3,580,200
4.	<u>House of representatives</u> This line item funds House central staff, partisan staff, the Clerk of the House, Representatives' compensation, and office budgets for Representatives.	\$49,446,200
5.	<u>House automated data processing</u> This line provides funding for House information technology costs.	\$2,017,800
6.	<u>House fiscal agency</u> The House Fiscal Agency (HFA) is a nonpartisan agency that provides assistance to the House Appropriations Committee and to other members of the Michigan House of Representatives regarding state fiscal matters. In addition to budget-related issues, the agency also provides members of the House with projections of the Michigan economy and estimates of state revenues and expenditures. The agency also provides fiscal analysis of proposed legislation.	\$3,580,200
Unit Gross Appropriation		\$93,316,600
State general fund/general purpose		93,316,600

LEGISLATURE PART 1: LINE ITEM DETAIL

2014 PA 252 FY 2014-15 Enacted

Sec. 105 (3) LEGISLATIVE COUNCIL

1. <u>Legislative Council</u>	\$10,927,800
Article IV, Section 15, of the Michigan Constitution provides for a bi-partisan Legislative Council. The Council is responsible for bill drafting, research, and other services for members of the legislature. The Constitution also provides that the Council shall periodically examine and recommend to the legislature revision of the various laws of the State. Public Act 268 of 1986 (The Legislative Council Act) implements Article IV, Section 15. The Legislative Council line item in the appropriation bill funds the Legislative Service Bureau, the Michigan Law Revision Commission, the Joint Committee on Administrative Rules, production of the Michigan Manual, Capitol Tour Guides, the Legislative Council Administrator, publication of Public Acts, and the Legislative Internet Technology Division.	
2. <u>Legislative service bureau automated data processing</u>	\$1,371,200
This line item funds the operation of the Council's computer system and other information technology costs.	
4. <u>Worker's compensation</u>	\$145,500
This line item funds worker's compensation costs for all legislative employees.	
5. <u>National association dues</u>	\$437,100
This line item funds dues as allocated by the Legislative Council. Prior to FY 2003-04, boilerplate language allocated funding to the National Conference of State Legislatures, the Council of State Governments, the National Commission on Uniform State Laws, and the National Commission of Insurance Legislators. Beginning in FY 2011-12 the allocation of funds is determined by the Legislative Council.	
6. <u>Legislative Corrections Ombudsman</u>	\$700,900
The Michigan Legislature established the Office of Legislative Corrections Ombudsman within the Legislative Council in 1975 following several prison riots throughout the country. This nonpartisan agency was established to investigate issues affecting the Michigan Department of Corrections (MDOC), prisoners and Corrections staff. Statute grants the Ombudsman authority to investigate administrative actions of the Michigan Department of Corrections that are alleged to be contrary to law or Department policy.	
Unit Gross Appropriation	\$13,582,500
Private revenue	400,000
State general fund/general purpose	13,182,500

LEGISLATURE PART 1: LINE ITEM DETAIL

2014 PA 252
FY 2014-15
Enacted

Sec. 105 (4) LEGISLATIVE RETIREMENT SYSTEM

- | | | |
|----|---------------------------------------|-------------|
| 1. | <u>General nonretirement expenses</u> | \$4,717,000 |
|----|---------------------------------------|-------------|

This appropriation funds the retirement costs for members of the Defined Benefit Plan, which was closed to new members after March 30, 1997. The funding also funds health care costs for retired legislators and certain deferred vested members.

Unit Gross Appropriation	\$4,717,000
State restricted revenue	1,109,800
State general fund/general purpose	3,607,200

Sec. 105 (5) PROPERTY MANAGEMENT

- | | | |
|----|-------------------------------|--------------|
| 1. | <u>Cora Anderson building</u> | \$10,667,000 |
|----|-------------------------------|--------------|

This appropriation funds the purchase and annual operations costs of the House Office Building.

- | | | |
|----|---|-------------|
| 2. | <u>Farnum building and other properties</u> | \$2,662,200 |
|----|---|-------------|

This appropriation funds property management costs for Senate owned properties.

Unit Gross Appropriation	\$13,329,200
State general fund/general purpose	13,329,200

Sec. 105 (6) STATE CAPITOL HISTORIC SITE

- | | | |
|----|---------------------------|-------------|
| 1. | <u>General operations</u> | \$3,985,200 |
|----|---------------------------|-------------|

This line item was formerly named the Capitol Building and was moved to this new unit and renamed beginning in FY 2014-15. This line item funds legislative facilities staff who are responsible for the maintenance, operation, and repair of the Capitol and grounds, except areas under the control of the House or Senate.

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|----|--------------------------------------|-----------|
| 2. | Restoration, renewal and maintenance | 3,000,000 |
|----|--------------------------------------|-----------|

Public Act 240 of 2013 established the Michigan State Capitol Historic Site which created the Michigan State Capitol Commission. The Commission's role is to operate and manage the State Capitol Historic Site, maintain and restore the Capitol building, establish, maintain, and operate parking facilities in the State Capitol area, and perform other duties.

Unit Gross Appropriation	\$6,985,200
State restricted revenue	3,000,000
State general fund/general purpose	3,985,200

<p style="text-align: center;">LEGISLATURE PART 2: BOILERPLATE DETAIL 2014 PA 252</p>
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Section Number	Description and History
600	<p><u>Expenditure Authorization.</u> Authorizes Legislature to receive, expend and transfer funds in addition to amounts authorized in Part 1.</p> <p>Background: This section has been included for over twenty years and allows the Legislature to receive and expend funds in addition to appropriations in Part 1.</p>
601	<p><u>Expenditures and Transfers.</u> Transfer and expenditure approval process for the Legislature.</p> <p>Background: This section was first included in FY 1991-92. This language is similar to language contained in Section 442 of the Management and Budget Act (1984 PA 431).</p>
602	<p><u>Farnum Building.</u> Provides that the Senate may charge rent and assess utility costs and appropriates funds for renovation, operation, and maintenance of the Farnum Building and other Senate properties.</p> <p>Background: This section is used to partially fund costs associated with renovation and maintenance of the Farnum Building.</p>
603	<p><u>National Association Dues.</u> Provides that the appropriation in Part 1 for national association dues shall be distributed by the Legislative Council.</p> <p>Background: This section previously allocated funding for national association dues to the National Conference of State Legislatures (NCSL), Council of State Governments (CSG), National Council of Insurance Legislators (NCIL), and National Conference of Commissioners on Uniform State Laws (NCCUSL). Budget reductions in FY 2003-04 resulted in the language being modified to provide that the Legislative Council will distribute funding for national association dues with no specific amount for an individual organization being listed in the boilerplate. In FY 2008-09 language was added stating that from the appropriation, \$51,000 was to be paid to the NCCUSL. In FY 2010-11, the language was modified to state that NCCUSL would only be paid if funds are available. In FY 2011-12 the language was again modified to delete language regarding the NCCUSL and now states that the dues shall be distributed by the Legislative Council.</p>
604	<p><u>Legislative Parking Facilities.</u> Provides for operation of Legislative parking facilities by the Michigan State Capitol Historic Site. Authorizes the Michigan State Capitol Commission to collect fees for use of parking facilities. Provides that revenue received from parking fees shall be allocated by the Commission.</p> <p>Background: Similar authorization is included in Section 205 of the Legislative Council Act (1986 PA 268). Beginning in FY 2014-15, the reference was changed from the Legislative Council to the Michigan State Capitol Historic Site and the Michigan State Capitol Commission to comply with the requirements established in PA 240 of 2013 that established the Michigan State Capitol Historic Site.</p>
605	<p><u>Michigan Manual.</u> Designates as work project appropriation for the Michigan Manual as a work project.</p> <p>Background: \$3,700 was carried forward from previous fiscal years into FY 2013-14 for publication of the Michigan Manual.</p>

<p style="text-align: center;">LEGISLATURE PART 2: BOILERPLATE DETAIL 2014 PA 252</p>
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Section Number	Description and History
606	<p><u>Property Management.</u> Designates property management appropriation for the Legislature as work project.</p> <p>Background: Amounts carried forward into FY 2003-04 pursuant to this section included: State Capitol Building Facilities, \$375,000; and Farnum Building, \$1,691,653. In FY 2004-05 this language was modified by specifying that funds will be used to purchase equipment and services for building maintenance and including an estimated cost and completion date. In FY 2006-07, language that allowed previous funds to be appropriated for property management to be carried forward as a work project was removed.</p>
607	<p><u>Legislative Automated Data Processing.</u> Designates appropriations for automated data processing as work project appropriations. Includes estimated costs and tentative completion date.</p> <p>Background: First included in FY 2004-05. In FY 2006-07, language that allowed previous funds to be appropriated for automated data processing to be carried forward as a work project was removed.</p>
608	<p><u>Save the Flags Fund.</u> Allows the Michigan Capitol Committee to receive contributions and bequests for the Save the Flags Fund, and provides for carry forward.</p>
609	<p><u>Michigan State Capitol Historic Site Fund.</u> Language states that the appropriation in Part 1 from the Michigan State Capitol Historic Site Fund does not take effect unless Enrolled Senate Bill 678 of the 97th Legislature is enacted into law. The bill was signed into law as Public Act 272 of 2014 on July 2, 2014.</p> <p>Background: First included in FY 2014-15 to allocate funding for the requirements established in PA 240 of 2013 that established the Michigan State Capitol Historic Site.</p>
615	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$12,198,100 and retiree health care legacy costs are estimated at \$10,626,800.</p> <p>Background: This section was added in FY 2014-15.</p>
618	<p><u>Legislative Retirement System.</u> This section provides Intent language that would transfer all administrative functions and associated funding for the Michigan Legislative Retirement System to DTMB by the end of FY 2014-15.</p> <p>Background: This section was added in FY 2014-15.</p>

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**LEGISLATIVE AUDITOR GENERAL
PART 1: LINE ITEM DETAIL**
**2014 PA 252
FY 2014-15
Enacted**
Sec. 105 (7) APPROPRIATION SUMMARY

- | | |
|---|---------------------|
| 1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature. | N/A |
| 2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours. | N/A |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | \$22,158,800 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations. | 5,220,700 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 16,938,100 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 0 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 0 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 0 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 2,000,800 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 14,937,300 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 0 |

LEGISLATIVE AUDITOR GENERAL PART 1: LINE ITEM DETAIL

**2014 PA 252
FY 2014-15
Enacted**

Sec. 106 (2) OFFICE OF THE AUDITOR GENERAL

- | | |
|----------------------------------|-----------|
| 1. <u>Unclassified positions</u> | \$329,400 |
|----------------------------------|-----------|

Article IV, Section 53 of the Michigan Constitution provides that the Legislature, by a majority vote in each house, appoints the Auditor General for a term of eight years. The Auditor General conducts post financial and performance audits of State government operations.

This line item funds the positions of the Auditor General and the Deputy Auditor General. The State Constitution allows for up to three positions to be funded, but currently and for the last several years, only these two positions have been filled.

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| 2. <u>Field operations</u> | \$21,829,400 |
|----------------------------|--------------|

This line item funds the remainder of the functions of the Office of the Auditor General. The majority of the staff is comprised of auditors housed in the Bureau of Audit Operations. Other personnel in this office support the audit work performed by the office including the offices of information technology, administration, and professional practice.

The role and constitutional responsibility of the Auditor General is to perform financial post audits and performance post audits of State programs. These audits provide a mechanism for the Legislature to obtain objective feedback on the operation of programs and the use of funds that are delegated to the executive branch of government.

Unit Gross Appropriation	\$22,158,800
Interdepartmental grants	5,220,700
State restricted revenue	2,000,800
State general fund/general purpose	14,937,300

**LEGISLATIVE AUDITOR GENERAL
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
620	<p><u>Judicial Branch Audits.</u> Provides that the Auditor General shall audit the judicial branch.</p> <p>Background: This section was first included in FY 1993-94. A corresponding section was included in boilerplate for the Judiciary, requiring cooperation with the Auditor General regarding audits required by the Michigan Constitution.</p>
621	<p><u>Contract Audits.</u> Requires the Auditor General to take reasonable steps to insure that certified minority, women, and firms owned and operated by persons with disabilities, participate in contract audits. Includes annual reporting requirement to the State Budget Director, and the House and Senate General Government Subcommittees.</p> <p>Background: This section was first included in FY 1991-92. It previously required Legislative oversight prior to finalizing contracts.</p>
622	<p><u>Auditor General-Unclassified Salaries.</u> Provides that the salary of Auditor General and the 2.0 FTE other unclassified positions in the Legislative Auditor General's office shall be set by the Speaker of the House, the Senate Majority Leader, the House Minority Leader, and the Senate Minority Leader.</p> <p>Background: This section was first included for FY 2001-02 due to roll-up of the appropriation for the Legislative Auditor General's office within the Legislative budget. It previously specified the salary amounts for the unclassified positions in the Office of the Auditor General. FY 2003-04 was the first year of the current version of the language.</p>
623	<p><u>Legislative Audit Requests.</u> Provides that any audits, reviews, or investigations requested of the Auditor General by the Legislature or by legislative leadership, legislative committees, or individual legislators should include an estimate of the additional costs involved and, when such costs exceed \$50,000, should provide supplemental funding. The Auditor General will determine whether to perform such activities in keeping with Audit Directive No. 29, which describes the Legislative Auditor General's office policy on responding to legislative requests.</p> <p>Background: This section was first included in FY 2002-03 due to concerns regarding increasing audit requests from legislators and limited funding resources for the Auditor General.</p>
625	<p><u>Information Technology (IT) Auditors.</u> Provides up to \$400,000 of funds in Part 1 to be used to hire up to 10 additional auditors to perform audits of the State's most critical IT systems and services.</p> <p>Background: This section was first included in FY 2014-15 at the request of the Auditor General so that audits could be properly performed on the State's ever-increasing and changing IT needs and systems.</p>

APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF STATE PART 1: LINE ITEM DETAIL

2014 PA 252
FY 2014-15
Enacted

Sec. 106 (1) APPROPRIATION SUMMARY

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature.	6.0
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	1,587.0
3. <u>GROSS APPROPRIATION</u> - Total appropriations	\$223,984,900
4. <u>Interdepartmental grants</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	20,000,000
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	203,984,900
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	1,460,000
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	0
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	100
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	184,985,800
10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes.	17,539,000
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	1,360,800

DEPARTMENT OF STATE PART 1: LINE ITEM DETAIL

2014 PA 252
FY 2014-15
Enacted

Sec. 106 (2) EXECUTIVE DIRECTION

1.	<u>Secretary of state</u>	\$112,500
	Unclassified FTE positions	1.0
	<p>The salary of the Secretary of State is set by the State Officers Compensation Commission due to amendments to the State Constitution approved by the voters on August 6, 2002. This line contains only the salary of the Secretary of State, costs for fringe benefits are included in the Executive Direction - Operations line item.</p>	
2.	<u>Unclassified positions</u>	\$724,700
	Unclassified FTE positions	5.0
	<p>The positions funded through this line include: the Director of External Affairs, the Director of Constituent Relations, the Director of Public Affairs, and two liaisons in the Southeast Michigan Office. This line funds salaries only.</p>	
3.	<u>Operations</u>	\$4,579,400
	Classified FTE positions	30.0
	<p>This line supports the executive staff of the Department of State, including the Office of Government Affairs, the Office of Communications, and the Executive Offices in Lansing, Southeast Michigan, and Grand Rapids. Fringe benefit costs for unclassified employees are also funded through this line.</p>	
	Unit Gross Appropriation	\$5,416,600
	State restricted revenue	3,738,900
	State general fund/general purpose	1,677,700

Sec.106 (3) DEPARTMENT SERVICES

1.	<u>Operations</u>	\$30,449,000
	Classified FTE positions	161.0
	<p>This line supports components of department operations, including Department Services Administration, the Bureau of Administrative Services, the Bureau of Business Integration, and the Bureau of Organizational Services and the Bureau of Information Security. This Bureau includes the Internal Security Division and the Investigations Division. It also serves as the State's liaison to the National Crime Information Center for reporting auto-related crimes.</p>	
	Unit Gross Appropriation	\$30,449,000
	State restricted revenue	29,297,800
	State general fund/general purpose	1,151,200

DEPARTMENT OF STATE PART 1: LINE ITEM DETAIL

2014 PA 252 FY 2014-15 Enacted

Sec. 106 (4) LEGAL SERVICES

1. <u>Operations</u>	\$7,117,300
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Classified FTE positions	33.0
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This line funds the Administrative Hearings section of the Department. The program conducts hearings for drivers who are aggrieved by final decisions of the Department to restrict, suspend, revoke or place other terms and conditions on a license. Petitioners may appeal actions imposed by the agency, implied consent suspensions, or sanctions imposed as a function of law. The largest appeal population includes habitual alcohol offenders. These hearings are due process hearings required by law. Administrative staff also assist in the defense of appeals to circuit courts seeking to overturn restrictions, suspensions, or revocations taken by Department field analysts and appeal hearing officers. Each year the Department schedules approximately 14,000 hearings and processes approximately 1,700 driver license restoration appeals to circuit court.

Unit Gross Appropriation	\$7,117,300
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State restricted revenue	7,105,100
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State general fund/general purpose	12,200
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Sec. 106 (5) CUSTOMER DELIVERY SERVICES

1. <u>Branch operations</u>	\$84,248,600
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Classified FTE positions	927.5
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The most visible function of the Department of State is the operation of branch offices. Branch offices statewide provide vehicle title and registration, driver assessment, and voter registration services. The Department is making more services available through alternative methods, including mail, fax, telephone, and the Internet. Of the customer transactions processed by the Department in FY 2012-13, 75.0% were handled in branch offices, 12.0% were received in the mail, 10.0% were received via the Internet, and 3.0% of transactions were handled via kiosks located throughout the State.

2. <u>Central operations</u>	\$47,761,600
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Classified FTE positions	371.5
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This line supports a number of record-keeping activities of the Department including processing requests for driver and vehicle records, maintaining records of financing statements, responsibilities pursuant to the Uniform Commercial Code, the administration of branch operations, administration of the central records program, and customer transactions that are not performed by the branch offices. The line also contains the Bureau of Regulator Services which includes the Driver Assessment and Appeal Division, the Business Licensing and Regulation Division, and the Program Operations Division. The Bureau of Regulatory Services enforces the Motor Vehicle Service and Repair Act, which regulates the auto repair industry. The Act established reporting requirements for auto body shops, provided for facility inspections by State inspectors, and instituted a record keeping system for salvage vehicle parts and major repairs. The Act also provides for penalties for violations of the statute.

**DEPARTMENT OF STATE
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Enacted**

The line item was created in FY 2005-06, and reorganized in FY 2011-12 to reflect the organizational structure of the Department.

3. Commemorative license plates \$1,897,300

Classified FTE positions 14.0

The commemorative license plate is the Great Lakes Splendor or "bridge plate", which has a picture of the Mackinac Bridge and the sun. A \$5 service fee is required to purchase this plate. A savings may be realized by the State when a driver purchases a commemorative license plate instead of using the State-provided white and blue plate.

4. Motorcycle Safety Education Administration \$330,100

Classified FTE positions 2.0

Section 257.811a of the Michigan Vehicle Code requires the Department of State to establish and administer Michigan's Motorcycle Safety Education Program. This line item funds the administrative costs of the Program including third party testing. The Program provides grants to local units of government that provide training to riders that are required by law to complete a motorcycle safety course to be eligible to receive a motorcycle endorsement on their driver's license.

5. Motorcycle Safety Education Grants \$1,800,000

This program was previously funded in the Department of Education. Public Act 103 of 2003 amended the Michigan Vehicle Code to transfer the responsibility for the establishment and administration of the Motorcycle Safety Program from the State Board of Education to the Secretary of State. The Program allocates grants to colleges or universities, intermediate school districts, law enforcement agencies, or other governmental agencies that provide motorcycle safety courses pursuant to MCL 257.811a. Entities that receive grants under the Motorcycle Safety Program may not charge applicants more than a \$25 course fee. Private providers of safety courses are not subject to the \$25 limit.

6. Credit and debit assessment services \$5,000,000

This item was formerly funded through boilerplate language. Beginning with the FY 2010-11 budget, this fee became a line item funded by the fees charged by branch offices to persons using credit or debit cards to pay for their transactions. The fees charged to customers are then used to pay the fees charged to the State by banks and credit card companies for the use of these cards.

7. Specialty license plates \$750,000

Classified FTE positions 3.0

The initial fee for a Specialty or University License Plate is \$35, in addition to the annual registration fee. Of the \$35 fee, \$10 is for administrative costs and the remaining \$25 is a donation to the sponsoring cause. For renewals, a \$10 donation to the sponsoring cause is required in addition to the annual registration fee.

The specialty license plates are fundraising license plates to raise money for Michigan's 15 state-supported universities, and eight causes: agricultural heritage, Boy Scouts of America, children, Donate Life, lighthouses, veterans, water quality, and wildlife habitat, and a patriotic plate which benefits the American Red Cross and the Salvation Army.

**DEPARTMENT OF STATE
PART 1: LINE ITEM DETAIL**

**2014 PA 252
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Enacted**

8. Organ donor program

\$129,100

Language section 812 specifies that this funding is to be used to produce a pamphlet regarding organ donations. The publication is distributed with driver license and personal identification cards. The funds may be used also for printing and for postage costs for a reply form included in the pamphlet.

Unit Gross Appropriation

\$141,916,700

Interdepartmental grants

20,000,000

Federal revenue

1,460,000

Private revenue

100

State restricted revenue

116,769,800

State general fund/general purpose

3,686,800

Sec. 106 (6) ELECTION REGULATION

1. Election administration and services

\$7,100,300

Classified FTE positions

45.0

The Bureau of Election carries out the responsibilities of the Secretary of State as the election official of the State. The Bureau administers and enforces Michigan's election statutes, including the Michigan Election Law and the Campaign Finance Act. The Board of State Canvassers is housed within this Bureau. This bureau also houses the Office of the Great Seal. This office maintains the sole official Seal of the State of Michigan. Responsibilities include accepting certain documents for filing from local and State governmental agencies and certifying their authenticity, commissioning notaries public, and issuing certificates of authority and apostilles (certificates of notarization authenticity) for documents going to other countries.

2. County clerk education and training fund

\$100,000

Section 17 of Public Act 238 of 2003 authorizes the Department of State to award grants for the purpose of providing education and training programs for county clerks and their staffs including, but not limited to, notary responsibilities, election worker training, and election processes.

3. Fees to local units

\$109,800

County clerks receive 16 cents from the State for each voter registration application they receive and then forward it to a city or township clerk in the jurisdiction where an applicant resides. Distributions from this line are greater in years of a general or federal election, since more people register to vote for those elections.

Unit Gross Appropriation

\$7,310,100

State restricted revenue

444,100

State general fund/general purpose

6,866,000

DEPARTMENT OF STATE PART 1: LINE ITEM DETAIL

**2014 PA 252
FY 2014-15
Enacted**

Sec. 106 (7) DEPARTMENTWIDE APPROPRIATIONS

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|---|-------------|
| 1. <u>Building occupancy charges/rent</u> | \$9,540,700 |
|---|-------------|

This line supports the building occupancy and rent costs for the Department. Facilities occupied by the Department include branch offices statewide, executive office space in the Capital area and Detroit, record storage at the Secondary Complex, and other office space in the General Office Building.

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| 2. <u>Workers' compensation</u> | \$264,600 |
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This line support workers' compensation costs incurred by the Department.

Unit Gross Appropriation	\$9,805,300
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State restricted revenue	7,226,600
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State general fund/general purpose	2,578,700
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Sec. 106 (8) INFORMATION TECHNOLOGY

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|--|--------------|
| 1. <u>Information technology services and projects</u> | \$21,969,900 |
|--|--------------|

Executive Order 2001-3 created the new Department of Information Technology (DIT). 101.0 FTEs were transferred to the new department from the Department of State. Executive Order 2009-55 combined DIT with the Department of Management and Budget to form the now Department of Technology, Management, and Budget (DTMB). The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.

Most of the funding in this line was previously included in a data processing line item in the Department Services unit. The information technology activities of the Department included the maintenance of all driver, vehicle, registration, title, and election records, as well as, all data processing and system support functions. The Department conducts electronic transmittal of data to a number of governmental agencies, including the Commercial Driver Licensing Network and the Federal Selective Service. Inquiries and record look ups are requested of the Department by law enforcement officers, local units of government, insurance companies, banking and credit institutions, and other State departments and agencies.

Unit Gross Appropriation	\$21,969,900
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State restricted revenue	20,403,500
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State general fund/general purpose	1,566,400
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**DEPARTMENT OF STATE
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
701	<p><u>Contingency Fund Appropriations.</u> Provides that a limited amount of Federal, State Restricted, local, and private revenues that come in during the year, such as a new Federal grant, can be appropriated upon approval of a contingency fund transfer to a line item by the Appropriations Committees of both houses of the Legislature. Contingency fund transfers are limited to the following revenue amounts: \$2,000,000 Federal, \$7,500,000 State Restricted, \$50,000 local, and \$100,000 private.</p> <p>Background: Contingency fund language was re-inserted in FY 2007-08.</p>
703	<p><u>Commercial Look-Up Fee.</u> Authorizes the sale of certain records for \$8.00 per record sold as limited by the Michigan Vehicle Code. Revenue received is credited to the Transportation Administration Collection Fund.</p> <p>Background: MCL 257.208b(1) requires the Legislature to set the lookup fee annually, which is done in this section. It generates approximately \$35.0 million annually, of which \$800,000 is due to list sales. The fee was increased from \$6.55 to \$7.00 in FY 2003-04 and from \$7.00 to \$8.00 in FY 2013-14 . Prior to FY 2005-06, revenue remaining at the end of the fiscal year lapsed to the State General Fund.</p>
704	<p><u>Manufacture of License Plates.</u> Authorizes the Secretary of State to enter into agreements with the Department of Corrections for the manufacture of license plates 15 months before registration year.</p> <p>Background: Processing and manufacturing license plates requires a period of time longer than one fiscal year. The State cannot usually obligate resources from future fiscal year appropriations. This section allows the Department to wait until the next fiscal year to commit the funds and pay the contract.</p>
705	<p><u>Departmental Publications.</u> (1) Authorizes the Department of State to accept gifts, donations, contributions and grants for the purpose of underwriting costs of the departmental publication authorized by the Motor Vehicle Code. Allows private or public funding sources to receive recognition in the publication and provide traffic safety messages in the publication. (2) The Department may sell and accept advertising for placement in the publication. (3) Provides for deposit in the Department's publication fund. Appropriates funds upon receipt and (4) provides for carry forward. (5) Requires annual report regarding receipts and expenditures. (6) The Department may provide free copies and may sell publications or manuals with the receipts credited to the Publications Fund.</p> <p>Background: This section was included in the mid 1990's in an effort to offset some of the Department's substantial printing costs by raising private funds. It allows the Department to collect and expend funds that are not included in line items.</p>
707	<p><u>Motor Vehicle Code.</u> Appropriates funds for the publication of the Motor Vehicle Code. Provides for expenditure of funds when received. Funds shall not lapse to the General Fund.</p> <p>Background: Revenue from this section depends on how frequently the Department publishes and sells copies of the Vehicle Code. Approximately \$100,000 in revenue is generated in the years this publication is made available.</p>
708	<p><u>Traffic Accident Records Program.</u> Requires the Department of State to use available balances at the end of the fiscal year to pay \$332,000 to the Department of State Police for the traffic accident records program.</p> <p>Background: The Department of State is billed by the State Police for reimbursement related to this program. The payment was increased in FY 2008-09 from \$331,400 to \$332,000.</p>

**DEPARTMENT OF STATE
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
709	<p><u>Cash Shortages.</u> Authorizes the Department to restrict funds from miscellaneous revenue to cover cash shortages created from normal branch office operations. Maximum of \$50,000 of miscellaneous revenue.</p> <p>Background: The Department records approximately \$30,000 per year in cash shortages. The Department is trying to move more services away from the branches and towards the Internet, mail, telephone or self-service stations also at a cash register-type system for the processing at a branch terminal.</p>
710	<p><u>Commemorative/Specialty Plates.</u> Provides for and limits expenditures from commemorative and specialty license plate fee revenue to administration of the program. Funds not used for program administration remain in the Transportation Administration Collection Fund.</p> <p>Background: Revenue to cover administrative costs is generated from a service charge for the plate transaction. The Transportation Administration Collection Fund was created by 2003 PA 152. The Fund consists of service fees formerly deposited in the Michigan Transportation Fund. Commemorative and replacement plates generated \$1.4 million in FY 2012-13.</p>
711	<p><u>Collector and Fundraising Plates.</u> Provides for distribution of revenue from the fundraising plates to the sponsoring university, or the sponsoring public or private agency</p> <p>Background: This section allows the Department to collect and distribute the donations made to the respective university or agency plate programs.</p>
712	<p><u>Automotive Repair Facilities Training Video.</u> Provides that Department of State may produce and sell a training video designed to inform registered automotive repair facilities of their obligations under Michigan law. Revenue received from the sale of the video is deposited in the Auto Repair Facility Fee Account.</p> <p>Background: This section provides the authority to collect revenue from the sale of the training video. The Department has moved to a DVD format. The Department costs are \$4.00 per DVD. It provides one free copy to all newly licensed facilities and has no revenue from sales of the DVD. Approximately 1,100 DVD's are distributed each year.</p>
713	<p><u>Organ Donor Public Information Program.</u> Provides that the Department of State may develop and administer a public information campaign concerning the Michigan Organ Donor Program. Authorizes solicitation of private or public funds for the program. Provides for carry forward of funds. Provides for the production of an informational pamphlet and return postage costs for the organ donor program. Authorizes the Department to receive and expend funds from the Organ and Tissue Donation Education Fund in addition to amounts appropriated in Part 1.</p> <p>Background: This section allows the Department to solicit private funds for the public information campaign to partially offset the cost of the campaign. The Department creates the Michigan donor list for the Gift of Life organization. The pamphlets are included in mailings regarding driver license and personal identification card renewals.</p>

**DEPARTMENT OF STATE
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
714	<p><u>Branch Office Closings.</u> Requires at least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or at least 60 days prior to relocations, that the department of state inform members of the senate and house of representatives standing committees on appropriations and legislators who represent affected areas regarding the details of the proposal. The information provided shall be in written form and include all analysis done regarding criteria for changes in the location of branch offices, including but not limited to branch transactions, revenue, and the impact on citizens of the affected area. The notice shall also include detailed estimates of costs and savings that will result from the overall changes made to the branch office structure. Also includes costs for new leased facilities and expansions or current leased space. However, if the consolidation of a branch office is with another branch office located within the same local unit of government or if the relocation of a branch office is within the same local unit of government, then the notification described above is not required.</p> <p>Background: This section was first included in FY 2002-03. Three branch offices were closed in FY 2001-02 in order to meet appropriation reductions. The language was added in reaction to these closings. The section originally required the Department to consult with the Senate and House General Government Appropriation Subcommittees regarding the closing or consolidation of any branch offices. The language was modified in FY 2004-05 as a result of the Department of State's April 26, 2004, Branch Optimization Plan. In FY 2013-14, language was added regarding the consolidation or relocation of branch offices within the same local units of government.</p>
715	<p><u>Credit Card Service Assessments.</u> Provides that any service assessment collected by the Department of State from the user of a credit or debit card is appropriated to the Department of State for expenses related to that service. Limits charge by the Department of State to not more than the costs billable to the Department for service assessments. Provides for carry forward of funds.</p> <p>Background: This section was first included in an FY 2002-03 Supplemental Appropriation Bill (2003 PA 39). Language amended in FY 2010-11 by deleting the automatic appropriation language since it is now a line item in the bill.</p>
716b	<p><u>Business Application Modernization Project Report.</u> Requires a report of the total funds expended for the business application modernization project, start dates, costs, and penalties paid to the state by the contract provider.</p> <p>Background: First included in FY 2010-11. All funding for the project ended with the FY 2009-10 budget year due to the end of the funding cycle. This report is being required to ensure proper expenditure of remaining work project funds.</p>
717	<p><u>Gifts and Donations.</u> Allows the Department to accept non-monetary gifts, donations or contributions from private or public sources to support licensing, regulatory, or safety departmental functions.</p> <p>Background: First included in FY 2007-08. Language was added to ensure that any gifts or donations made to the Secretary of State are restricted for use to fund legitimate departmental functions.</p>
718	<p><u>Buena Vista Branch Office.</u> Requires the department to maintain a full service branch office in Buena Vista Township.</p> <p>Background: First included in FY 2007-08. Language was added as a result of the Secretary of State's closing of several branch offices in 2007 to ensure that a branch office remains open in Buena Vista Township.</p>

**DEPARTMENT OF STATE
PART 2: BOILERPLATE DETAIL**

2014 PA 252

Section Number	Description and History
721	<p><u>ATM Commission Fees. Governor:</u> Allows the Department to collect a commission fee from companies providing ATM machines in branch offices. The fees received shall be deposited in the TACF.</p> <p>Background: First included in FY 2010-11.</p>
725	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$18,188,200 and retiree health care legacy costs are estimated at \$14,353,600.</p> <p>Background: This section was added in FY 2014-15.</p>



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET PART 1: LINE ITEM DETAIL
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2014 PA 252
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Enacted

Sec. 107 (1) APPROPRIATION SUMMARY

- | | |
|---|------------------------|
| 1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, a limited number of policy-making positions in departments, members of boards and commissions, employees of State institutions of higher education, employees of the Judiciary, and employees of the Legislature. | 6.0 |
| 2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours. | 2,817.0 |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | \$1,262,810,400 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations. | 677,671,700 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 585,138,700 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 7,974,100 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 3,553,700 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 190,400 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 94,322,000 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. Approximately 90% of the general fund/general purpose (GF/GP) revenue is derived from the income, single business, insurance, sales, and use taxes. | 479,098,500 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 0 |

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET PART 1: LINE ITEM DETAIL
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Sec. 107 (2) EXECUTIVE DIRECTION

The authority of the Department of Management and Budget is provided in the Management and Budget Act, Public Act 431 of 1984, MCL 18.1101 to 18.1594. With the popular names of "Act 431" and the "DMB Act", it details the responsibilities of the Department and also establishes budgeting, finance, and administrative procedures for the State.

1. <u>Unclassified positions</u>	\$824,600
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Unclassified FTE positions	6.0
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The positions funded through this line include the Director of the Department, the State Budget Director, the State Employer, the Director of Communications, and the Legislative Liaison. This line funds salaries only.

2. <u>Executive operations</u>	\$2,269,800
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Classified FTE positions	12.0
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Functions of this division include strategic planning, program and policy direction, communications, and internal audit.

Unit Gross Appropriation	\$3,094,400
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Interdepartmental grants	2,126,200
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State restricted revenue	300,000
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State general fund/general purpose	668,200
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Sec. 107 (3) DEPARTMENT SERVICES

1. <u>Administrative services</u>	\$17,611,900
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Classified FTE positions	132.5
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This line item funds financial services (accounting, reporting projections, year-end statements, audit, etc.), organizational services, and national association dues.

2. <u>Budget and financial management</u>	\$17,667,800
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Classified FTE positions	135.0
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Funding supports the State Budget Office, the Office of Financial Management, and the Local Government Claims Review Board.

3. <u>Office of the state employer</u>	\$3,374,400
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Classified FTE positions	23.0
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This office is responsible for central labor relations including employee relation matters, collective bargaining, and representation of State management before the Civil Service Commission and Employment Relations Board.

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4. <u>Design and construction services</u>	\$6,388,900
Classified FTE positions	40.0
This division administers the State capital outlay program including major construction, special maintenance, survey and evaluation of current and future sites, inspects State facilities, prepares bidding documents, recommends awards, and provides oversight during construction projects.	
5. <u>Business support services</u>	\$10,476,400
Classified FTE positions	91.0
This line item supports acquisition services, real estate, ID mail services, and the State Building Authority (SBA). The administrative functions of the SBA were transferred to Treasury in FY 2014-15.	
6. <u>Building operation services</u>	\$91,352,000
Classified FTE positions	210.0
Funding supports the operation of State facilities and coordination of all building services.	
7. <u>Building occupancy charges, rent, and utilities</u>	\$6,862,800
This line item funds DTMB costs associated with rent, building maintenance costs, and utilities.	
8. <u>Motor vehicle fleet</u>	\$67,669,300
Classified FTE positions	35.0
This appropriation reflects costs associated with the State motor vehicle fleet. Prior to FY 2003-04 the cost of this function was only reflected in individual budgets as motor transport costs. The operation of the Motor Vehicle Fleet as an off-budget revolving fund is authorized in Public Act 431 of 1984.	
9. <u>Information technology services and projects</u>	\$29,574,700
Executive Order 2001-3 created the new Department of Information Technology (DIT). 84.0 FTEs were initially transferred to the new department from the Department of Management and Budget. Executive Order 2009-55 combined DIT with the Department of Management and Budget to form the now Department of Technology, Management, and Budget (DTMB). The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.	
A majority of the funding in this unit is associated with the Michigan Administrative Information Network (MAIN), Human Resources Management Network (HRMN), and the Data Collection and Distribution System (DCDS). MAIN, which is comprised of R*STARS, ADPICS, and MIDB is the State's enterprise-wide accounting and financial management system. HRMN is the State's enterprise-wide human resources, benefits, and payroll system. DCDS is the State's enterprise-wide time and attendance and labor cost distribution system.	

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10. Bureau of labor market information and strategies

\$5,387,200

Classified FTE positions

42.0

The Bureau of Labor Market and Information Strategies funds two offices that provide labor market information, economic and workforce research and analysis, and program measurement data and services. The offices function as the central information and research support group for numerous state government agencies.

1. The Office of Labor Market Information

The Office of Labor Market Information (OLMI) is responsible for the development and maintenance of the workforce information system in Michigan. OLMI produces all of the official labor market information for the state and its regions, and is responsible for providing labor market analysis, products, and services to business, workforce and economic development, education, and other key customers.

2. The Office of Strategic Initiatives

The Office of Strategic Initiatives is responsible for conducting research and analysis to guide policy and program development for workforce activities, and responding to information requests from Michigan's workforce boards, MEDC, the Governor's office, and the community leaders and economic developers.

Unit Gross Appropriation

\$256,365,400

Interdepartmental grants

179,314,400

Federal revenue

4,905,000

Local revenue

20,800

State restricted revenue

34,270,100

State general fund/general purpose

37,855,100

Sec. 107 (4) TECHNOLOGY SERVICES

Executive Order 2001-3 created the Department of Information Technology (DIT) effective on October 14, 2001. Unlike other State departments, a majority of DIT employees remain physically located within other departments. Several of the Department's core administrative functions, including human resource services, services performed by the internal auditor, and part of financial services, are provided under contract by the Department of Management and Budget (DMB). DIT is charged with the goal of achieving the use of common technology across the executive branch, including:

- Coordinating a unified executive branch strategic information technology plan.
- Overseeing the expanded use of project management principles.
- Serving as a general contractor between the State's information technology users and private sector providers of information technology.
- Developing information technology budgets and setting standards for application development for executive branch departments.

Executive Order 2001-3 transferred to the DIT all information technology services that were previously located within any executive branch department or agency, and the following entities which had been located in the Department of Management and Budget:

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- the Michigan Administration Information Network,
- the Computing Services Unit,
- the Information Technology Services Division,
- the Office of Project Management,
- the Information Technology Budget and Finance Division,
- the Office of Information Technology Solutions,
- the Telecommunications Services Unit,
- the Michigan Information Network Office,
- the Michigan Information Center.

Executive Order 2002-2 transferred the e-Michigan Office to the DIT, maintaining the e-Michigan Office as a Type I agency. Subsequently Executive Order 2002-14, through a Type III transfer, abolished the e-Michigan Office and transferred its powers, functions, and responsibilities to the Department of Information Technology.

Finally, Executive Order 2009-55 transferred the DIT to the Department of Management and Budget and renamed the entity the Department of Technology, Management, and Budget (DTMB). All functions of the former DIT remain the same under the new DTMB.

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| 1. | <u>Education services</u> | \$4,108,700 |
| | Classified FTE positions | 29.0 |
| | Funding from this line item supports services provided to the Department of Education, and library, archival, and records storing services provided by the DTMB. | |
| 2. | <u>Health and human services</u> | \$285,947,700 |
| | Classified FTE positions | 617.5 |
| | This line item funds information technology services provided to the Department of Community Health, Department of Human Services, and the Department of Energy, Labor and Economic Growth. The line item also includes funding and staff related to the Child Support Enforcement System (CSES). | |
| 3. | <u>Public protection</u> | \$50,407,600 |
| | Classified FTE positions | 154.5 |
| | Departments receiving services from this line item include: Attorney General, Civil Rights, DELEG, Corrections, Military and Veterans Affairs, and State Police. The appropriation also includes funding and staff related to the Michigan Public Safety Communications System (MPSCS). | |
| 4. | <u>Resources services</u> | \$19,254,400 |
| | Classified FTE positions | 146.5 |
| | Departments receiving information technology services through this line item included: Agriculture, Environmental Quality, and Natural Resources. | |

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| 5. | <u>Transportation services</u> | \$30,446,000 |
| | Classified FTE positions | 89.5 |
| | <p>This line item funds services provided to the Department of Transportation. The services include application and systems development, hardware and software purchases, licensing, maintenance, network support, mainframe services, and radio tower services.</p> | |
| 6. | <u>General services</u> | \$90,562,100 |
| | Classified FTE positions | 324.5 |
| | <p>This line item supports information technology services to the Civil Service Commission, Department of Technology, Management, and Budget, Department of State, the Gaming Control Board, the State Lottery, and the Department of Treasury.</p> | |
| 7. | <u>Enterprise-wide information technology investment projects</u> | \$11,400,000 |
| | <p>This line item supports IT projects funded by the IT Investment Fund which provides support across all agencies. They include projects related to cyber security, data loss prevention, portfolio management, and the unified portal.</p> | |
| 8. | <u>General government and public safety information technology investment projects</u> | \$28,600,000 |
| | <p>This funding supports legacy related IT projects within all state agencies except the Department of Community Health and the Department of Human Services. These projects are identified and prioritized based on critical need. The basis for identifying the project as critical is if the failure to replace the system could result in:</p> <ol style="list-style-type: none"> 1. Loss of Life 2. Compromise of public safety or justice 3. Loss of outside funding 4. Significant risk to the enterprise 5. Federal or legislative mandate | |
| 9. | <u>Health and human services information technology investment projects</u> | \$6,000,000 |
| | <p>This line item supports legacy related IT projects within the Department of Community Health and the Department of Human Services. These projects are identified and prioritized based on critical need. The basis for identifying the project as critical is if the failure to replace the system could result in:</p> <ol style="list-style-type: none"> 1. Loss of Life 2. Compromise of public safety or justice 3. Loss of outside funding 4. Significant risk to the enterprise 5. Federal or legislative mandate | |
| 10 | <u>MAIN system replacement information technology investment projects</u> | \$17,000,000 |
| | <p>This line item funds the development and implementation of the State of Michigan's new financial system . This system is currently in development and will eventually replace the current MAIN system in approximately FY 2016-17.</p> | |

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11.	<u>Homeland security initiative/cyber security</u> Classified FTE positions This funding supports remediation of enterprise network risks, implementation of a Cyber Civilian Corps, expansion of the current cyber range, building a cyber-talent pool, and provides data loss prevention and penetration testing services. All of these measures are intended to keep the State's data systems secure from cyber attacks.	\$9,068,200 13.0
12.	<u>Michigan public safety communications</u> Classified FTE positions This line item supports DTMB's costs related to the development and maintenance of communication services provided to local, state, and federal agencies via the MPSCS as well as costs related to the lifecycle replacement of infrastructure and equipment.	\$41,859,000 100.0
	Unit Gross Appropriation	\$594,653,700
	Interdepartmental grants	480,726,500
	Local revenue	2,212,100
	State general fund/general purpose	111,715,100

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Enacted

Sec. 107 (5) STATEWIDE APPROPRIATIONS

These professional development funds are created in the collective bargaining agreements with unions. The purpose of the professional development funds are to, "identify education, training and retraining needs for members; to explore existing education resources; and to publicize these resources to meet employee needs and encourage workers' participation." Each department contributes a certain amount per employee per union. This funding is shown as an IDG for these lines.

1. <u>Professional development fund – AFSCME</u>	\$50,000
The AFSCME professional development fund was established in FY 1989-90. It had a balance of \$88,700 at the close of FY 2012-13.	
2. <u>Professional development fund – MPE, SEIU, scientific, and engineering unit</u>	\$125,000
This professional development fund was established in FY 1989-90. It had a balance of \$87,500 at the close of FY 2012-13.	
3. <u>Professional development fund – NEREs</u>	\$200,000
This professional development fund was established in FY 1989-90. It had a balance of \$7,000 at the close of FY 2012-13.	
4. <u>Professional development fund – UAW</u>	\$720,000
This professional development fund was established in FY 1989-90. It had a balance of \$2,858,000 at the close of FY 2012-13.	
 Unit Gross Appropriation	 \$1,095,000
Interdepartmental grants	1,095,000
State general fund/general purpose	0

Sec. 107 (6) SPECIAL PROGRAMS

1. <u>Building occupancy charges – property management services for executive/legislative building occupancy</u>	\$1,124,600
All funding supports costs associated with Executive BOC.	
2. <u>Retirement services</u>	\$25,983,700
Classified FTE positions	162.0

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This line contains the appropriation for Retirement Services, which is responsible for the administration of retirement and pension benefits for current and past State employees as well as state military retirees under the National Guard. Duties include record keeping, providing actuarial information, and payment of benefits. This office is funded entirely by the pension trust funds and deferred compensation funds. The administration of retirement benefits is governed by acts establishing the four retirement systems:

- State Employees' Retirement Act of 1943, MCL 38.1 to 38.69
- Public School Employees Retirement Act of 1979, MCL 38.1301 - 38.1467
- State Police Retirement Act of 1986, MCL 38.1601 - 38.1648
- Judges Retirement Act of 1992, MCL 38.2101 - 38.2670
- Michigan Military Act of 1967, MCL 32.801 – 32.851

3. Office of children's ombudsman \$1,771,800

Classified FTE positions 14.0

Considered an independent office housed in the Department of Technology, Management, and Budget, the Office of the Children's Ombudsman was established in Public Act 204 of 1994, MCL 722.921 to 722.935. It monitors and ensures compliance with relevant statutes, rules, and policies pertaining to children's protective services and the placement, supervision, and treatment of children in foster care and adoptive homes. This Office works closely with the Department of Human Services.

4. Public Private Partnership \$1,500,000

Investments shall include but are not limited to capital asset improvements, energy resource exploration, financial and investment incentive opportunities, infrastructure construction, maintenance, and operation, and public-private sector joint ventures that provide an economic benefit to an area or the State.

5. Regional Prosperity Grants \$2,500,000

The Regional Prosperity Initiative is a voluntary competitive grant process that encourages local private, public and non-profit partners to create vibrant regional economies. The legislature approved the recommended process and the Regional Prosperity Initiative was signed into law as a part of the FY 2013-14 budget (59 PA 2013).

Unit Gross Appropriation **\$32,880,100**

State restricted revenue 22,238,900

State general fund/general purpose 10,641,200

Sec. 107 (7) STATE BUILDING AUTHORITY RENT

The State Building Authority is authorized to issue and sell bonds and notes for the acquisition and construction of facilities and state equipment. The debt service on the bonds is payable from lease revenue paid by the State pursuant to provisions of the leases. Appropriations for this lease revenue are contained in this line item.

The SBA Rent program was moved from the Capital Outlay budget to the General Government budget in the FY 2005-06 budget to deal with timing issues associated with the delayed enactment of the capital outlay budget and the need to make SBA Rent payments on October 1st of each year. Payments are made by the State for projects as follows:

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	2014 PA 252 FY 2014-15 Enacted
1. State building authority rent - state agencies	\$58,405,800
2. State building authority rent - department of corrections	\$44,879,900
3. State building authority rent – universities	\$124,825,300
4. State building authority rent - community colleges	\$26,459,600
Unit Gross Appropriation	\$254,570,600
State general fund/general purpose	254,570,600

Sec. 107 (8) CIVIL SERVICE COMMISSION

Article XI, Section 5 of the Michigan Constitution established the Civil Service Commission and the State classified civil service. This section empowers the Civil Service Commission to determine the classification, compensation, qualification, and regulation of all positions in the classified civil service. The Commission appoints the State Personnel Director to carry out these responsibilities.

The Constitution also provides for appropriations to the Commission in order to perform these duties. “The legislature shall appropriate to the commission for the ensuing fiscal year a sum not less than one percent of the aggregate payroll of the classified service for the preceding fiscal year.” The Department historically does not request the full 1% of aggregate payroll for its operations.

Executive Order 2007-30 transferred all functions and duties of the Civil Service Commission in the former Department of Civil Service to the Department of Technology, Management, and Budget in May, 2007.

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|----|--|--------------------------|
| 1. | <u>Agency Services</u>

Classified FTE positions. | \$12,601,900

74.0 |
| | This line item supports human resource services for State government. This includes position development, classification evaluation, employee recruitment, assessment, and the Human Resources Management Network (HRMN). | |
| 2. | <u>Executive Direction</u>

Classified FTE positions. | \$9,403,400

40.0 |
| | This line item supports administrative services including Human Resources, Financial Services, Office of General Counsel, Hearings and Legal Services, and the Office of Compliance. | |
| 3. | <u>Employee Benefits</u>

Classified FTE positions. | \$5,671,200

16.0 |
| | Executive Order 2002-13 transferred administration of the employee benefits, health screening and awareness, and quality recognition systems to the Department of Civil Service from the Office of the State Employer in the Department of Management and Budget in August 2003. With the development of HRMN, it was determined that the programs would be better suited to the Civil Service Commission. | |

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET
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Enacted

4. <u>Training</u>	\$1,300,000
This funding supports agency-specific and general training for State classified employees. State departments pay for services provided to support the interdepartmental grant to the Civil Service Commission.	
5. <u>Human Resources Operations</u>	\$35,766,900
Classified FTE positions	316.0
This line item supports the consolidation of certain human resources functions that were previously included in individual departmental budgets and transferred to the Civil Service Commission when the former Department of Civil Service was transferred to the Department of Technology, Management, and Budget as an autonomous agency via Executive Order 2007-30 in May 2007.	
6. <u>Information Technology Services and Projects</u>	\$4,385,800
Executive Order 2001-3 created the new Department of Information Technology (DIT). In FY 2002-03, 27.0 FTEs were initially transferred to DIT from the Department of Civil Service. The funding for information technology is appropriated in the originating department and received in DIT as an interdepartmental grant from user charges.	
Executive Order 2009-55 combined DIT with the Department of Management and Budget to form the now Department of Technology, Management, and Budget (DTMB). The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges.	
Unit Gross Appropriation	\$69,129,200
Interdepartmental grants	4,637,900
Federal revenue	3,069,100
Local revenue	1,320,800
Private revenue	190,400
State restricted revenue	37,513,000
State general fund/general purpose	22,398,000

Sec. 107 (9) CAPITAL OUTLAY

1. <u>Major special maintenance, remodeling and addition for state agencies</u>	\$2,000,000
Funding in this line item is used for large maintenance and remodeling projects in buildings managed by the department. FY 2008-09 was the first year that this line item was funded in DTMB.	
2. <u>Enterprisewide special maintenance for state facilities</u>	\$23,000,000
Funding in this line item is used for special maintenance projects that are non-recurring, and can include light renovation, remodeling, and additions as well as other upgrades and replacements. Typical examples of special maintenance projects are roofs, boiler/HVAC replacements, windows/doors, ADA compliance, energy efficiency lighting/controls, etc. Projects that fall into this category are typically too big for an agency to fund out of operating funds, but not big enough or of sufficient scale to be bonded via the State Building Authority. FY 2012-13 was the first year that this line item was funded in DTMB.	

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Unit Gross Appropriation	\$25,000,000
Interdepartmental grants	2,000,000
State general fund/general purpose	23,000,000

Sec. 107(10) ONE-TIME BASIS ONLY APPROPRIATIONS

1. <u>Regional Prosperity Grants</u>	\$1,000,000
This one-time funding is used for a competitive grant process that encourages local private, public and non-profit partners to create vibrant regional economies.	
2. <u>Capital outlay – enterprisewide special maintenance for state facilities</u>	\$7,000,000
This one-time funding is used for special maintenance projects that are non-recurring, and can include light renovation, remodeling, and additions as well as other upgrades and replacements. This is the third year of one-time funding for the program which received \$10.0 million in one-time appropriations in FY 2012-13 and FY 2013-14.	
3. <u>Technology services funding</u>	\$6,900,300
There is \$6.9 million in one-time funding provided to align IDG funding of the IT line items across all State departments and agencies for FY 2014-15. The amount of IT funding provided in each departmental budget must align with the amount of IDG funding received in the DTMB budget for each fiscal. This adjustment will align those funds in FY 2014-15.	
4. <u>Litigation fund</u>	\$4,000,000
This one-time funding of \$4.0 million is used for litigation costs anticipated by the Department to be incurred in FY 2014-15. This is an increase of \$2.0 million from the one-time funding provided in FY 2013-14.	
5. <u>Office of urban initiatives</u>	\$5,000,000
This one-time funding of \$5.0 million is used to distribute funds to support urban and metropolitan initiatives respective to transportation, public services, land use, housing, and workforce development.	
6. <u>Michigan business one stop - depreciation</u>	\$871,700
This one-time funding is used to pay for the remaining capitalized development cost of the Michigan Business One-Stop Portal as it begins to be phased out and the State works on a replacement system.	
7. <u>Special projects</u>	\$1,250,000
New one-time funding totaling \$1.25 million is provided for three projects: \$250,000 for Catholic Charities in Genesee County; \$500,000 for National Guard pensions due to statute changes; and \$500,000 for administration priorities to be determined during the fiscal year per target agreement.	
Unit Gross Appropriation	\$26,022,000
Interdepartmental grants	7,771,700
State general fund/general purpose	18,250,300

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
801	<p><u>Contingency Funds.</u> Authorizes contingency funds. Requires legislative transfers prior to expenditure. Authorizations for the fiscal year may not exceed the following amounts: \$4.0 million for Federal; \$8.0 million for State restricted; \$150,000 for local funds; and \$100,000 for private funds.</p> <p>Background: Included in the budget beginning in FY 2007-08.</p>
802	<p><u>Auction Proceeds.</u> Provides for the appropriation of proceeds from property transfers or auctions of State surplus to the Department for the purpose of offsetting costs in the acquisition and distribution of Federal surplus.</p> <p>Background: This section was first included in the late 1980's. Proceeds from the sale of State warehouse surplus may cover the deficits of the Federal warehouse. Beginning in FY 2010-11, additional language requires DTMB to provide consolidated internet auction services through the State's contractors for all local units of government.</p>
803	<p><u>DTMB Services.</u> Provides for receipt and expenditure of funds for services provided to departments, the Judiciary, the Legislature, or private tenants. (1) Maintenance and Operation, (2) Design and Construction, (3) Mail Services, (4) Purchasing Services.</p> <p>Background: This section allows receipt of payments from State departments above and beyond appropriations. Related to special or extended services requested of the Department by other State departments. Subsections (1) and (2) are used the most frequently through Building Operation Services and Design & Construction.</p>
804	<p><u>Statewide Appropriations for Employee Programs.</u> Provides for receipt and expenditure of funds for programs as specified in joint labor/management agreements or through the coordinated compensation hearings process. Provides for carry forward of funds.</p> <p>Background: These accounts are managed through the Office of the State Employer. Billing to State departments for contributions to a fund is based on the number of employees from a particular union in each department.</p>
805	<p><u>Special Revenue and Internal Service Funds.</u> Provides for appropriations financed from special revenue, internal service, pension trust funds or MAIN user charges not to exceed aggregate amounts appropriated in Part 1.</p> <p>Background: This section ensures that the Department has the authority to accept revenue from restricted fund sources as appropriated. This section was initiated over confusion of whether the Department could accept funds from the Michigan Veterans Trust Fund.</p>
806	<p><u>Administrative Leave Bank.</u> Provides for receipt, expenditure, and transfer to and from other departments to implement administrative leave bank transfers.</p> <p>Background: This section is related to collective bargaining. It provides a mechanism for employees to donate annual leave for other State employees to use. People are not compensated for donating their leave. In the administrative leave process, a department charges the Department of Technology, Management, and Budget an amount to cover the leave of the chief state employee from that bargaining unit when that person is absent for union activities. The administrative leave bank pays for it.</p>
807	<p><u>MAIN Charges.</u> Provides that the Michigan Administrative Information Network (MAIN) shall be funded by charges against State funds benefiting from MAIN.</p> <p>Background: Permits the department to bill State departments to cover costs of MAIN and allows receipt of restricted funds for this purpose. Amounts are determined by Statewide Cost Allocation Plan (SWCAP). A listing of MAIN costs by department is available.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
808	<p><u>Building Occupancy and Parking Charges.</u> (1) Provides for collection of deposits against the interdepartmental grants from building occupancy and parking charges for State agencies, the Legislature, and the Judiciary. (2) Provides for returning excess revenue collected.</p> <p>Background: This function is performed through the Office of Facilities. The Department uses building occupancy and parking charges from previous fiscal years to estimate the next fiscal year's charges. This section allows the Department to return any overpayment of previous fiscal year funds to the originating fund sources.</p>
808a	<p><u>Building Occupancy Rates.</u> New language prohibits the Department from charging State departments and agencies BOC for unoccupied space provided the Department or agency has given a 12-month notice to vacate. Also requires that DTMB, in conjunction with the State Budget Office, shall require departments to pay BOC when moving into a building managed by DTMB at the beginning of the start of the fiscal year immediately following occupancy of the building.</p> <p>Background: First included FY 2014-15.</p>
809	<p><u>Computer Contract Adjustments.</u> Requires notification to the Legislature on computer contract revisions that increase or decrease by more than \$500,000. Notification must be given to the Legislature at least 14 days before the Department finalizes the revisions.</p> <p>Background: The Legislature is not involved in the contract approval process, but it can put conditions and restrictions on the process. These contracts are approved by the State Administrative Board. There are 6-12 such contracts a year. This section was added through legislative initiative. In FY 2004-05 the language was expanded to include contract revisions that decrease current contracts by more than \$500,000.</p>
810	<p><u>Requests for Proposals-Website.</u> Requires the Department of Technology, Management, and Budget to maintain an Internet website that contains notice of all invitations to bid (ITB) and requests for proposals (RFP) over \$50,000. Prohibits the Department from accepting an invitation for bid or request for proposal less than 14 days after the request was made available on the website. Allows for certain exceptions. The Department may advertise in any manner that maximizes opportunities for organizations to bid.</p> <p>Background: This section was first included in FY 1999-2000. The Office of Purchasing was already doing much of this, with two differences: (1) In order to comply with this section, departments must notify the Office of Purchasing of such RFP's so they can be posted appropriately, and (2) a full 14 days' notice on the website was not always completed.</p>
811	<p><u>Vietnam Veterans Memorial Monument Fund.</u> Authorizes the Department to receive and expend funds from the Vietnam Veterans Memorial Monument Fund as provided in the Michigan Vietnam Veterans Memorial Act, 1988 PA 234. Funds are appropriated and allocated upon receipt.</p> <p>Background: This section was first included in FY 2002-03.</p>
812	<p><u>Michigan Veterans Memorial Park Commission.</u> Authorizes the Commission to receive and expend money, including gifts, grants, donations, and appropriations, for the purposes described in Executive Order 2001-10, which established the Commission. Designates the funds as restricted revenue and allows them to be carried forward to the next fiscal year.</p> <p>Background: This section was first included in FY 2002-03. Executive Order 2001-10 charged the Commission with advising on the development, management, and maintenance of the Memorial Park, including operations, security, preservation, and State activities.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
813	<p><u>Motor Vehicle Fleet.</u> Administration of the State Motor Vehicle Fleet. Requires the Department of Technology, Management, and Budget to complete a project plan based on needs and cost savings to achieve the maximum value and efficiency from the State motor fleet. The Plan shall include the number of vehicles assigned to departments and agencies, efforts to reduce vehicle expenditures, the number of cars in the Fleet, the amount of State fuel tax that would have been incurred by Fleet vehicles if they were required to pay the tax, and information on Fleet garage operations. Requires annual report to the Legislature. Provides that revenue in excess of appropriations and unencumbered funds are restricted revenues and may be carried over to the succeeding fiscal year. Requires annual report on the status of the project plan. Requires the Department to use remanufactured parts whenever economically feasible for the repair and maintenance of the State's fleet of motor vehicles, excluding the fleet for the Department of State Police. Finally, new language added in FY 2014-15 states that once notification is made to the House and Senate standing committees on appropriations, spending authorization and the IDG from the Motor Transport Fund in DTMB may be adjusted to ensure that the appropriations for the motor vehicle fleet equals the expenditures for motor vehicle fleet in the budgets for all executive departments and agencies.</p> <p>Background: First included in FY 2003-04. Language regarding carry forward and use of driver records was added in FY 2004-05. The language was modified in FY 2005-06 by requiring reporting on the number of miles driven, gallons of fuel consumed, fleet garage operations, and requiring DMB to develop a plan for the number of vehicles authorized for use by State departments and agencies. The language was again modified in FY 2006-07 to reflect the continuation of a plan for the operation of the Motor Vehicle Fleet. A new provision was also added in P.A. 153 of 2006 that authorizes DMB to charge State agencies for fuel costs that exceed \$3.04 per gallon. Remanufactured parts language was added in FY 2011-12.</p>
814	<p><u>Enterprisewide IT Investments.</u> Requires the Department to develop a plan regarding the use of funds appropriated in Part 1 for the Enterprisewide IT Investments program. Language was expanded in FY 2014-15 to require the Department to notify the Legislature and the fiscal agencies when an IT investment project will require the transfer of \$500,000 or more from another project</p> <p>Background: First included in FY 2010-11.</p>
815	<p><u>Energy Savings Performance Contracts.</u> New language added requiring the Department to review all existing and proposed capital improvement projects over \$500,000 for inclusion in an energy savings performance contract. Also requires a report to the Legislature by February 15, 2015, identifying each capital improvement project in excess of \$500,000.</p> <p>Background: First included in FY 2014-15.</p>
816	<p><u>Privatization RFP Factors.</u> Language stipulates that DTMB shall include factors that will be used to evaluate and determine price related to requests for proposals issued for the purpose of privatization.</p> <p>Background: First included in FY 2011-12.</p>
817	<p><u>Vendor Call or Contact Center Services.</u> Provides that the DTMB may require vendors or subcontractors providing call or contact center services to disclose to inbound callers the location from which the call or contact center services are being provided.</p> <p>Background: First included in FY 2004-05.</p>
818	<p><u>Michigan Law Enforcement Officers Memorial Act.</u> Authorizes DTMB to receive and expend funds for the Monument Fund pursuant to 2004 PA 177.</p> <p>Background: First included in FY 2004-05.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
819	<p><u>Ronald Reagan Memorial Monument.</u> Authorizes DTMB to receive and expend funds for the Ronald Reagan Memorial Monument Fund as provided in 2004 PA 489.</p> <p>Background: First included in FY 2005-06.</p>
820	<p><u>State Property.</u> Requires DTMB to make available to the public on the Internet, a list of all parcels of real estate that are available for purchase from the State.</p> <p>Background: First included in FY 2005-06.</p>
821	<p><u>Space Consolidation.</u> Requires the Department to develop a plan regarding the use of space consolidation funds and report annually to the Legislature.</p> <p>Background: First included in FY 2011-12.</p>
822	<p><u>Unclassified Salaries.</u> Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees.</p> <p>Background: First included in FY 2009-10.</p>
822d	<p><u>Public-Private Partnership Investment Fund.</u> Language moved from Treasury into DTMB in FY 2013-14 that creates the Public-Private Partnership Investment Fund. Investments shall include but are not limited to capital asset improvements, energy resource exploration, financial and investment incentive opportunities, infrastructure construction, maintenance, and operation, and public-private sector joint ventures that provide an economic benefit to an area or the State. Prohibits public-private investments from being used for projects, consultant expenses, staff effort, or any other activity related to the development, financing, construction, operation, or implementation of the Detroit River International Crossing (DRIC) or any successor project unless the project is approved by the Legislature and signed into law.</p> <p>Background: First included in FY 2013-14.</p>
822e	<p><u>Prohibition against use of State Funds for International Bridge.</u> Prohibits the use of any funds from Part 1 to be used for any staff efforts, projects, consultant expenses, or any other activity related to the development, financing, construction, operation, or implementation of the DRIC or any successor project.</p> <p>Background: First included in FY 2011-12.</p>
822f	<p><u>DTMB Fees and Rates.</u> New language requires the Department to provide a report to the Legislature by December 31, 2014, that identifies fee and rate schedules to be used by State departments and agencies for services and must include an explanation of the factors that justify each fee and rate increase.</p> <p>Background: First included in FY 2014-15.</p>
822g	<p><u>Wayland Public Safety Building.</u> New language requires the Department to provide assistance to the Department of State Police regarding discussions with the city of Wayland on a joint public safety building to be located in Wayland.</p> <p>Background: First included in FY 2014-15.</p>
822h	<p><u>Grand Rapids Crime Lab.</u> New language requires the Department to work with the State Police to review and evaluate the feasibility of repurposing the One Division Building in Grand Rapids for a new State Police Crime Lab. Also requires a report to the Legislature by January 1, 2015, on the results of that review.</p> <p>Background: First included in FY 2014-15.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
822i	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$45,810,900 and retiree health care legacy costs are estimated at \$36,132,300.</p> <p>Background: First included in FY 2014-15.</p>
INFORMATION TECHNOLOGY	
823	<p><u>State Website.</u> (1) Provides authority for the DTMB to sell and accept paid advertising, review and approve content of advertisement, and refuse or require modification to advertisements. Up to \$250,000 in revenue received under this section can be used for operating costs of the Department and technology enhancements. Funds in excess of \$250,000 are deposited in the State General Fund. (2) Authorizes the Department to accept gifts, donations, contributions, bequests, and grants to support cost of State website pages or services offered on website. (3) Funds from part 1 are appropriated when received and the Department must notify the Legislature within 10 days after the approval is given.</p> <p>Background: This section was first included in FY 2001-02.</p>
824	<p><u>Spatial Information and Technical Services.</u> Allows the DTMB to enter into agreements to supply spatial information and technical services to other departments, local units of government, and organizations. Provides for receipt and expenditure of funds relating to providing services, publications, maps, and other products in addition to amounts appropriated in Part 1. Includes reporting requirement to the General Government Subcommittees on revenues and expenditures.</p> <p>Background: The listed services are provided by the Michigan Information Center. The Center operates from an internal service fund. It also provides these services to the public and municipalities. Reporting requirement added in FY 2004-05.</p>
825	<p><u>MAIN Access.</u> Provides for access to data contained within MAIN for the Legislature and State departments.</p> <p>Background: This section was first included when MAIN was implemented to guarantee access for the Legislature.</p>
826	<p><u>Information Technology-Definitions.</u> Defines information technology services as services involving all aspects of managing and processing information and lists examples including: "Cyber Security", "Social Media", and "Wireless Networking".</p> <p>Background: This section restates a portion of Executive Order 2001-3 which created the Department.</p>
827	<p><u>Michigan Public Safety Communications System (MPSCS).</u> Provides that money appropriated in Part 1 for the MPSCS shall be expended upon approval of an expenditure plan by the State Budget Director. Requires IT to assess subscribers of the system reasonable access and maintenance fees. Money received under this section shall be expended for support and maintenance of the MPSCS. Also includes a reporting requirement on revenue received.</p> <p>Background: This language was previously contained in the Department of State Police budget. Prior to FY 2005-06, revenue received from access and maintenance fees was deposited in the State General Fund.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
828	<p><u>Annual Report.</u> Requires an annual report from the DTMB that lists the total amount of funding appropriated and corresponding expenditures for information technology services and projects by funding source for all departments and agencies.</p> <p>Background: First included in FY 2003-04.</p>
829	<p><u>Life-Cycle of Hardware and Software.</u> Requires the DTMB to provide a report by March 1, which analyzes and makes recommendations on the life-cycle of information technology hardware and software.</p> <p>Background: First included in FY 2003-04.</p>
830	<p><u>Contract Reporting Requirement.</u> Requires a report by December 31 on all follow-on contracts and change orders entered into by the Department greater than \$50,000 beginning in FY 2008-09.</p> <p>Background: First included in FY 2008-09.</p>
831	<p><u>ICT Innovation Fund.</u> Language stipulates that the Information, Communications, and Technology (ICT) Innovation Fund shall be administered by the Department for the purpose of providing a revolving, self-sustaining resource for financing ICT innovation projects for state agencies, local units of government, educational institutions, and nonprofit organizations, in addition to permitting outside contributions to the fund and carry forward of money within the fund. A new provision is added in FY 2014-15 that makes the language ineffective if legislation is adopted that provides for the administration and use of the fund.</p> <p>Background: First included in FY 2011-12.</p>
832	<p><u>Child Support Enforcement System Report.</u> Requires the Department to notify the Senate and House General Government Subcommittee and the fiscal agencies within 30 days of any potential penalties assessed by the federal government for failure of the program to achieve certification from the federal government. If penalties are assessed the Department must submit a report to the subcommittees and fiscal agencies within 90 days specifying the Department's plan to avoid the penalties and ensure certification of the program by the federal government.</p> <p>Background: First included in FY 2005-06.</p>
833	<p><u>Legislative Transfers.</u> Provides for an automatic appropriation of an equal amount of user fees in the Department's budget for any transfer to or from the information technology line item within an agency budget to reflect the increase or decrease. Also provides for adjustments for initial appropriations.</p> <p>Background: First included in FY 2007-08. Modified in 2008-09 to account for initial appropriations. Departmental transfers were not being reflected in the IT budget.</p>
834	<p><u>Antenna Site Management Fund.</u> Creates the fund and provides for the deposit of revenue and expenditures. Funds remaining at the end of the fiscal year shall be transferred to the appropriate state restricted funds. Language also prohibits an antenna from being placed on any site unless it complies with the respective local zoning codes and local unit of government processes.</p> <p>Background: First included in the DTMB budget in FY 2008-09 and was previously included in the Capital Outlay budget.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
835	<p><u>Census-Related Services.</u> Appropriates funds collected for census-related information and technical services, publications, statistical studies, population projections and estimates, and other demographic products. Provides carry-forward authorization.</p> <p>Background: First included in FY 2009-10.</p>
836	<p><u>Cloud Computing.</u> New language is added in FY 2014-15 that requires the Department to conduct an analysis of using public or private cloud computing technologies for new projects.</p> <p>Background: First included in FY 2014-15.</p>
840	<p><u>Online Citizens Guide and Dashboard.</u> New language requires the department to issue an RFP for a publicly accessible statewide online citizens guide and dashboard web service that offers access to State of Michigan reports and data from municipalities, local, and intermediate school districts as a common transparency solution and that has a fiscal stress warning system as a component.</p> <p>Background: First included in FY 2014-15.</p>
STATE BUILDING AUTHORITY RENT	
Moved to Treasury Sec. 1101	<p><u>State Building Authority - Advances.</u> Provides for advances from the General Fund prior to sale of bonds.</p> <p>Background: First included in FY 2005-06. Section was previously in the Capital Outlay Budget.</p>
Moved to Treasury Sec. 1102	<p><u>State Building Authority - Excess Revenue.</u> Provides that facility revenue in excess of operation costs shall be credited to the retirement of bonds.</p> <p>Background: First included in FY 2005-06. Section was previously in the Capital Outlay Budget.</p>
842	<p><u>State Building Authority - Insurance.</u> Provides that appropriations in Part 1 may be used to pay insurance premiums and deductibles. Appropriates any shortage from the General Fund.</p> <p>Background: First included in FY 2005-0-6. Section was previously in the Capital Outlay Budget.</p>
Moved to Treasury Sec. 1103	<p><u>State Building Authority - Report.</u> Requires SBA to provide the Joint Capital Outlay Committee, the fiscal agencies, and the State Budget Director with an annual report on the status of construction projects.</p> <p>Background: First included in FY 2005-06. Section was previously in the Capital Outlay Budget. New language added in FY 2006-07 to specify that the report applies to the status of construction projects as of September 30 of each year and is due by October 15 of each year.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
CIVIL SERVICE	
850	<p><u>One Percent Charges.</u> Provides that 1% from restricted funds for the Civil Service Commission be assessed on actual 1% restricted sources total aggregate payroll of classified service for the preceding fiscal year. Authorizes the Department, with the approval of the State Budget Director, to adjust 1% financings sources based on actual payroll expenditures.</p> <p>Background: Specific restricted funding sources were previously listed, but the list was not exhaustive and some funds were not collected. The introduction of MAIN allowed for a boilerplate change to give the criteria of those sources paying the 1% in order to include as many restricted sources as possible. The provision regarding adjusting sources of financing was first included in FY 2005-06.</p>
851	<p><u>Restricted Financing Shortfalls.</u> Provides that shortages shall be taken from carry forward balances of the funding sources used for payroll. Gives priority to expenses in the originating department over the Civil Service Commission. Provides that General Fund dollars are appropriated for any shortfall in 1% restricted resource assessments for aggregate payroll of the classified Civil Service.</p> <p>Background: This mechanism has been in place for about 20 years. The Commission has not used it the last few years since it is not receiving the full 1% funding level. It provides for shortages in fund sources to be taken from carry-forward balances. If a carry-forward balance is not available, then the originating department has priority over the Civil Service Commission. The Department of Technology, Management, and Budget just credits the Civil Service Commission account with General Fund dollars for the amount of the shortfall of the Restricted fund source. The amount lapses back into the General Fund from the Civil Service Commission.</p>
852	<p><u>Flexible Spending Account Program.</u> Enables the Civil Service Commission to deposit money into the State Sponsored Group Insurance, Flexible Spending Accounts, and COBRA Fund. Unspent money from the flexible spending accounts portion of the Fund would be used to offset the costs of administering the Flexible Spending Account program. Any remaining balance of unspent employee contributions will lapse to the General Fund.</p> <p>Background: Departments realize a small savings when employees choose to participate in the flexible spending accounts. The Civil Service Commission charges a department for the necessary administrative costs and takes the expenses out of its savings. Any lapse to the General Fund is negligible since the Commission only charges enough to cover administrative costs. The program was transferred from the former Department of Management and Budget to the former Department of Civil Service by Executive Order 2002-13.</p>
CAPITAL OUTLAY	
860	<p><u>Definitions.</u> Provides various definitions contained in the appropriation act.</p> <p>Background: First included in FY 2008-09.</p>
861	<p><u>Capital Outlay Processes, Procedures, and Reports.</u> Refers to capital outlay project requirements under 1984 PA 431 (Management and Budget Act).</p> <p>Background: First included in FY 2008-09.</p>
862	<p><u>Required Reports.</u> Requires that DTMB provide various detailed reports to JCOS and fiscal agencies with status of each planning or construction project financed with SBA funds.</p> <p>Background: First included in FY 2008-09.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
864	<p><u>Capital Outlay Funding Carry Forward.</u> Authorizes carry forward of capital outlay appropriations consistent with Section 248 of Management and Budget Act.</p> <p>Background: First included in FY 2008-09.</p>
865	<p><u>Site Preparation Economic Development Fund.</u> Establishes Site Preparation Economic Development Fund in DTMB; proceeds from sale of designated sites to be deposited into fund. Authorizes \$25.0 million cash advance from GF/GP to fund. Also, an annual report must be submitted to the House and Senate standing committees on appropriations by December 31 of each year.</p> <p>Background: First included in FY 2008-09.</p>
866	<p><u>State Building Authority Authorizations.</u> New language requires the Legislature to determine that funding provided in Part 1 is for the leasing of facilities to be used for a public purpose.</p> <p>Background: First included in FY 2014-15.</p>
CAPITAL OUTLAY – UNIVERSITIES AND COMMUNITY COLLEGES	
873	<p><u>Community College Requirements.</u> Provides that community college projects shall be no more than 50% State funded and 50% locally funded. State funds shall not be released unless all requirements under the appropriation bill have been met.</p> <p>Background: First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.</p>
874	<p><u>State Funds in Proportion to Matching Funds.</u> States that if matching funds received are less than the appropriated amounts, State funds shall be reduced in proportion to the amount of matching funds received.</p> <p>Background: First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.</p>
875	<p><u>Documentation Regarding Project Match.</u> Allows the Department Director to require community colleges and universities with authorized projects to submit documentation regarding the project match and that if that documentation is not submitted, the project authorization may terminate unless the JCOS convenes to extend the authorization.</p> <p>Background: First included in FY 2010-11. Beginning in FY 2010-11, this section was moved into a new sub-heading for universities and community colleges.</p>
ONE-TIME APPROPRIATIONS	
890	<p><u>Regional Prosperity Grant Requirements.</u> Language describes the qualification process for the new proposed Regional Prosperity Grant Program. The Regional Prosperity Initiative is a voluntary competitive grant process that encourages local private, public and non-profit partners to create vibrant regional economies. The legislature approved the recommended process and the Regional Prosperity Initiative was signed into law as a part of the FY 2013-14 budget (59 PA 2013). This boilerplate language stipulates the requirements for qualification to receive funding as a regional prosperity collaborative, a regional prosperity council, or a regional prosperity board.</p> <p>Background: First included in FY 2013-14. One-time funding of \$2.5 million was included in FY 2013-14 and \$1.0 million in FY 2014-15.</p>

DEPARTMENT OF TECHNOLOGY, MANAGEMENT, AND BUDGET*
PART 2: BOILERPLATE DETAIL

2014 PA 252 Article VIII

Section Number	Description and History
891	<p><u>Litigation Fund Expenditure Report.</u> Requires a quarterly report to the Legislature on litigation fund expenditures by case, purpose, and department involved.</p> <p>Background: First included in FY 2014-15.</p>
895	<p><u>Michigan Business One-Stop Depreciation Expenses.</u> New language states that the amount appropriated in Part 1 for depreciation expenses shall be expended solely to pay the remaining capitalized development cost of the Michigan Business One-Stop. Language also states that the Department shall not charge State departments or agencies for maintenance or operation of the Michigan Business One Stop and allows the Department to expend up to \$1.5 million on continued maintenance and operation of the program and that departments or agencies may not be charged IDGs or other sources of financing. Language also stipulates that the budget director shall reduce the user fees charged to State departments by amounts equivalent to the reduction in appropriation for the Michigan Business One-Stop.</p> <p>Background: First included in FY 2014-15. One-time funding of \$4.0 million is appropriated for FY 2014-15.</p>
896	<p><u>Senate Relocation from the Farnum Building.</u> New language allows up to \$7.0 million of the funds appropriated in Part 1 to be made available to the Senate for future lease, purchase, and transition costs related to the relocation from the Farnum Building.</p> <p>Background: First included in FY 2014-15.</p>
897	<p><u>One-Time Special Projects Earmarks.</u> New language earmarks \$250,000 of One-Time Special Projects for the Catholic Charities Center for Hope and \$500,000 for payments to individuals and surviving spouses receiving retirement payments under Section 411 of the Michigan Military Act.</p> <p>Background: First included in FY 2014-15.</p>



APPROPRIATION LINE ITEM AND BOILERPLATE HISTORY

**DEPARTMENT OF TREASURY
INCLUDING REVENUE SHARING AND THE MICHIGAN STRATEGIC FUND AGENCY
PART 1: LINE ITEM DETAIL**

**2014 PA 252
FY 2014-15
Enacted**

Sec. 108 (1) APPROPRIATION SUMMARY

1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, and a limited number of policy-making positions in departments.	10.0
2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours.	2,619.5
3. <u>GROSS APPROPRIATION</u> - Total appropriations	\$2,948,023,700
4. <u>Interdepartmental grants (IDGs)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total statewide appropriations.	9,409,100
5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs.	2,938,614,600
6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government.	667,075,700
7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs.	6,416,000
8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies.	5,678,000
9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs.	1,745,389,100
10. <u>State general fund/general purpose (GF/GP)</u> - Revenue that has no constitutional or statutory restrictions on how it is used.	514,055,800
11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government.	1,433,262,400

<p style="text-align: center;">DEPARTMENT OF TREASURY INCLUDING REVENUE SHARING AND THE MICHIGAN STRATEGIC FUND AGENCY PART 1: LINE ITEM DETAIL</p>
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Sec. 108 (2) EXECUTIVE DIRECTION

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|----------------------------------|-------------|
| 1. <u>Unclassified positions</u> | \$1,099,500 |
| Unclassified FTE positions | 10.0 |

The positions funded through this line are the State Treasurer, two Deputy State Treasurers, an additional Treasury position, Tax Commission Chair, two Tax Commission Members, Executive Director of the Michigan Gaming Control Board, Lottery Commissioner, and the Director of the Michigan State Housing Development Authority (MSHDA). Funding the MSHDA Director in the unclassified line is new in FY 2013-14. Most positions are funded from the General Fund, except the salary of the Executive Director of the Gaming Control Board is supported by the State Services Fee Fund, the salary of the Lottery Commissioner is supported by the State Lottery Fund, and the MSHDA Director is funded by MSHDA fees and charges. This line funds only salaries. The cost of benefits for unclassified positions is appropriated in the line item for Office of the Director.

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| 2. Executive direction and operations | \$3,008,400 |
| Classified FTE positions | 16.0 |

This line item funds the executive office of the Department of Treasury and the costs of fringe benefits for all of the unclassified positions. In FY 2014-15 the budget transferred 4.0 FTE positions for the office of collections as well as 6.0 FTE positions from Department Services to this line item.

Unit Gross Appropriation	\$4,107,900
Federal revenues	65,000
State restricted funds	2,190,200
State general fund/general purpose	1,852,700

Sec. 108 (3) DEPARTMENTWIDE APPROPRIATIONS

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| 1. <u>Rent and building occupancy charges - property management services</u> | \$5,948,800 |
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The central office of the Department is in the Austin Building in downtown Lansing. Additional offices are located in the Hannah Building and regional field offices. This line supports the rent and building occupancy charges for all units of the Department except the Bureau of Investments, whose rent is included in the Investments line item.

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| 2. <u>Workers' compensation insurance premium</u> | \$129,200 |
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This line supports workers' compensation costs incurred by the Department.

Unit Gross Appropriation	\$6,078,000
State restricted funds	2,945,200
State general fund/general purpose	3,132,800

<p style="text-align: center;">DEPARTMENT OF TREASURY INCLUDING REVENUE SHARING AND THE MICHIGAN STRATEGIC FUND AGENCY PART 1: LINE ITEM DETAIL</p>
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Sec. 108 (4) LOCAL GOVERNMENT PROGRAMS

This unit supports the Bureau of Local Government Services.

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| 1. <u>Supervision of the general property tax law</u> | \$18,817,500 |
| Classified FTE positions | 86.0 |

Under the authority of the State Tax Commission, the Property Services Division administers the General Property Tax Act of 1893, MCL 211.1-211.157. The Property Services Division is responsible for the foreclosure and sale of delinquent properties, it establishes the property tax base (determines the taxable value and State Equalized Value, SEV), determines the tax on public utilities, administers special tax exemptions, and handles the deferment of special assessments. The line also funds the Assessment and Certification Division which provides staff support to the State Tax Commission and provides for uniform statewide property tax assessments through equalization of assessments. The State Tax Commission also serves as the State Board of Equalization and assumed all of the functions of the former State Assessors Board, which was abolished by EO 2009-51.

The Office of Fiscal Responsibility which assists local governments in financial distress is funded in this line beginning with FY 2011-12 supplemental funding and 10.0 FTEs provided in 2012 PA 89.

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| 2. <u>Property tax assessor training</u> | \$1,031,900 |
| Classified FTE positions | 4.0 |

This line funds the training and certification of assessors. This responsibility is carried out by the Assessment and Certification Division. MCL 211.10e requires the State Tax Commission to develop and assessors to use an official assessor's manual. Section 907 in Part 2 of this bill establishes the Assessor Certification and Training Fund and limits examination and certification fees. This line is supported entirely by local revenue from assessor training fees. (The State Assessors Board was abolished by EO 2009-51 and all of its functions transferred to the new State Tax Commission, created by the same Executive Order.)

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| 3. <u>Local finance</u> | \$2,571,200 |
| Classified FTE positions | 21.0 |

This line supports the Local Audit and Finance Division which oversees the finances of local units of government. A number of statutes set financial requirements and guidelines for local units of government. This Division monitors collection of State taxes by local government, audits units of local government for internal controls and compliance with State requirements, and monitors local debt issuance and deficit elimination plans.

Unit Gross Appropriation	\$22,420,600
Local revenues	1,982,500
State restricted revenues	7,333,700
State general fund/general purpose	13,104,400

<p style="text-align: center;">DEPARTMENT OF TREASURY INCLUDING REVENUE SHARING AND THE MICHIGAN STRATEGIC FUND AGENCY PART 1: LINE ITEM DETAIL</p>
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Sec. 108 (5) TAX PROGRAMS

This unit supports the Bureaus of Tax Compliance, Tax and Economic Policy, Tax Processing, Health Insurance Claims, Home Heating Assistance, Bottle Act Implementation, and Tobacco Tax Enforcement.

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| 1. | <u>Tax compliance</u> | \$45,452,100 |
| | Classified FTE positions | 345.0 |

This line supports the Audit Division and Discovery and Tax Enforcement Division involving tax audit functions, discovery and tax enforcement, and the Multi-State Tax Commission. In FY 2014-15, the budget added new funding of \$250,000 and 2.0 FTEs for a new system to improve data quality and availability at State's data storage warehouse. The FY 2014-15 budget also increased funding by \$600,000 and 6.0 FTEs to expand the Technical Issues Resolution Unit to address changes in tax statutes.

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| 2. | <u>Tax and economic policy</u> | \$13,100,000 |
| | Classified FTE positions | 93.0 |

This line supports the Office of Revenue and Tax Analysis, the Bureau of Tax Policy, Hearings, and Policy Communication Divisions as well as the Legislative Liaison involving research and development of policy related to compliance, customer service, tax processing, assistance to field staff, and promulgation of rules and the Office of Taxpayer Advocate. The budget for FY 2013-14 transferred in \$248,000 for the Office of Taxpayer Advocate and added \$3,000,000 for digital tobacco tax stamps. The budget for FY 2014-15 added \$1.6 million and 9.0 FTE positions for a new office created to test all tax systems and transferred out \$9.4 million and 53.0 FTEs to the Tax Processing line item.

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| 3. | <u>Tax processing</u> | \$36,932,300 |
| | Classified FTE positions | 345.0 |

This line supports the Return Processing Division involving the processing of tax refunds, developing electronic methods of processing returns, postage costs, IRS match projects, and administration of the Homestead Affidavit Program.

In FY 2014-15 the budget transferred in 126.0 FTE positions and \$12.2 million in funding from the former customer contact line item. This funding and FTE positions provide taxpayer assistance, customer service improvement projects, call center operations, and website content. The FY 2014-15 budget also transferred in \$9.4 million and 53.0 FTE positions from Tax and Economic Policy line item and transferred out \$3.7 million and 36.0 FTEs to Departmental and Budget Services line item.

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| 4. | <u>Health Insurance Claims Fund</u> | \$2,033,800 |
| | Classified FTE positions | 15.0 |

This line item was added by P.A. 89 of 2012 and continued with full-year funding in FY 2012-13 for administration of the Health Insurance Claims Fund created by P.A. 142 of 2011.

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| 5. | <u>Home heating assistance</u> | \$3,023,400 |
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The Department of Treasury administers the Federal Low Income Heat and Energy Assistance Program (LIHEAP) on behalf of the State and the funding for this line is part of a grant made by the U.S. Department of Health and Human Services-SSA. This line is for the Federally funded cost of administration. The funding for the actual grants to households is in the budget of the Department of Human Services (DHS). Section 908 in Part 2 of this act specifies that this line may only be used to cover the administrative costs of the program.

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| 6. | <u>Bottle act implementation</u> | \$250,000 |
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This line supports administration of the Bottle Deposit Fund with dollars from the Fund. Deposits to the Fund are made from unredeemed bottle deposits. The balance in the Fund is distributed annually to the Cleanup and Redevelopment Fund and bottle dealers. Section 910 in Part 2 of this bill authorizes the disbursements from the Bottle Deposit Fund.

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| 7. | <u>Tobacco tax enforcement</u> | \$1,579,500 |
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Classified FTE positions

13.0

Note that \$3.0 million in FY 2013-14 for digital tobacco tax stamps is included in the line item for Tax and Economic Policy.

The budget included \$1.5 million in FY 2012-13 to provide GF/GP support for tobacco tax enforcement. The program is carried out in conjunction with the Michigan State Police and the Department of Attorney General which also received additional funds for this purpose. The budget for FY 2011-12 included \$3.0 million in State Restricted funds for this purpose, however, the Governor determined that related boilerplate in that year was unenforceable and the appropriation was not spent.

Unit Gross Appropriation

\$102,371,100

Interdepartmental grants revenues

2,371,000

Federal revenues

3,023,400

State restricted funds

76,743,200

State general fund/general purpose

20,233,500

Sec. 108 (6) FINANCIAL AND ADMINISTRATIVE SERVICES

This unit supports the Administrative Services and Financial Services Bureaus.

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| 1. | <u>Department and budget services</u> | \$9,001,700 |
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Classified FTE positions

88.0

This line supports the Budget Office, mail operations, administrative services, forms and documents, purchasing, publications, and the Privacy & Security Office.

The FY 2014-15 budget transferred out \$537,500 and 8.0 FTEs to the Executive Direction and Operations line item. In addition, the FY 2014-15 budget transferred in the following: \$124,000 and 1.0 FTE from the Customer Contact line item; \$3.7 million and 36.0 FTE positions from the Tax Processing line item; and \$109,000 and 1.0 FTE from the Office of Collections line item.

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2. <u>Unclaimed property</u>	\$4,772,800
Classified FTE positions	29.0
This line supports the Unclaimed Property Division which administers the Uniform Unclaimed Property Act of 1995. The FTEs increased by 5.0 in FY 2011-12 due to workload associated with the revised escheats law.	
3. <u>Office of collections</u>	\$26,303,200
Classified FTE positions	203.0
This line supports the Collections Division including tax collection activities within the Department. The FY 2014-15 budget transferred out \$109,000 and 1.0 FTE to the Department and Budget Services line item and \$746,000 and 3.0 FTEs to the Executive Direction and Operations line item.	
4. <u>Office of accounting services</u>	\$2,441,900
Classified FTE positions	24.0
This line supports the Finance and Accounting Division which maintains accounting records, processes payments, and prepares year-end financial reports for the Department.	
5. <u>Office of financial services</u>	\$4,396,900
Classified FTE positions	39.0
This line supports the Receipts Processing Division which provides statewide cash receipting policies and practices and serves as a clearinghouse for all State revenue.	
Unit Gross Appropriation	\$46,916,500
Interdepartmental grant revenues	6,431,800
State restricted funds	35,187,000
State general fund/general purpose	5,297,700

Sec. 108 (7) FINANCIAL PROGRAMS

This unit supports the Bond Finance, Investments, and Student Financial Services Bureaus.

1. <u>Investments</u>	\$20,321,700
Classified FTE positions	82.0
The Bureau of Investments is funded by this line. The Bureau oversees the investment of pension funds, common cash, and State restricted funds on behalf of the State. The Bureau is supported by fees from pension trust funds and State restricted funds. Rent expenses for the Bureau are included in this line.	

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2. Common cash and debt management

\$1,633,600

Classified FTE positions

22.5

This line supports the State Finance Division. This Division manages the State cash flow and common cash fund. It also oversees the receipt of outside funding, such as Federal and local funds.

The issuance of State debt is a major function of the State Finance Division. General obligation bonds are issued on behalf of the State and this Division carries out the bonding process, with the assistance of bond counsels, financial consultants, and banking firms. Required debt service payments are determined and paid by this Division. The School Bond Loan (SBL) Program and the Michigan Underground Storage Tank Financial Assurance (MUSTFA) Act also are administered by the State Finance Division.

3. Dual enrollment payments

\$1,005,200

This line was added in FY 2012-13 to provide \$10.0 million GF/GP to implement Public Acts 131-134 of 2012 which require Treasury to pay the tuition costs of eligible nonpublic school students, including home-schooled students, enrolled at postsecondary institutions.

4. Student financial assistance programs

\$2,695,000

Classified FTE positions

25.5

A number of financial assistance programs for students are administered by the Bureau of Student Financial Services, many of which distribute Federal funding in addition to State funding. The programs within this Bureau include the Michigan Education Trust (MET), the Tuition Incentive Program, the Postsecondary Access Student Scholarship Program (for community colleges), the Higher Education Student Loan Authority, and the Higher Education Assistance Authority.

Executive Order 2002-12, issued on July 25, 2002, consolidated the administration and support services of the Higher Education Student Loan Authority and the Higher Education Assistance Authority with that of three other Authorities into the Tax Authority Assistance Division. Prior to this move, the Student Loan and Assistance Authorities and fiscal support had been managed by the Bureau of Student Financial Services. Executive Order 2010-2 consolidated the governance and administration of the bonding aspects of these programs within the new Michigan Finance Authority. The budget for FY 2011-12 moved funding for the Michigan Guaranty Agency from this line to the line item for the Michigan Finance Authority, consistent with Executive Order 2010-2.

<p align="center">DEPARTMENT OF TREASURY INCLUDING REVENUE SHARING AND THE MICHIGAN STRATEGIC FUND AGENCY PART 1: LINE ITEM DETAIL</p>

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| 5. <u>Michigan finance authority - bond finance programs</u> | \$38,728,000 |
| Classified FTE positions | 72.5 |

The Michigan Finance Authority was created by Executive Order 2010-2 to combine many of the bonding and borrowing functions of State government and State authorities within one body under a single board. The budget for FY 2010-11 included the MFA as a line item for the first time and appropriated restricted funds and positions previously off-budget as boilerplate appropriations. See also boilerplate Sec. 934. To continue implementation of Executive Order 2010-2, the budget for FY 2011-12 transferred \$36.9 million and 66.5 FTEs from the line item for Student Financial Assistance to this line to fund the Michigan Guarantee Agency which administers Federal student loan guarantee programs.

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| 6. <u>John R. Justice grant program</u> | \$287,700 |
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This line item was added in FY 2010-11 to appropriate Federal funds for a program to provide student loan forgiveness to qualified public defenders and prosecutors. See also Sec. 926.

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| 7. <u>Financial independence team</u> | \$4,500,000 |
| Classified FTE positions | 9.0 |

This line item was added in FY 2014-15 to fund Treasury's portion of a joint project with the Michigan Department of Education to create a financial independence team to provide support to financially troubled school districts.

Unit Gross Appropriation	\$69,171,200
Interdepartmental grant revenues	206,300
Federal revenues	35,997,200
State restricted funds	25,533,200
State general fund/general purpose	7,434,500

Sec. 108 (8) DEBT SERVICE

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| 1. <u>Quality of life bond</u> | \$81,360,000 |
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This line supports the debt service payments for two general obligation bonds approved by voters in 1988, one for Environmental Protection purposes and one for Recreation purposes.

Environmental Protection bond: Voters authorized the issuance of \$660.0 million in general obligation bonds to support environmental protection activities. Of that amount, there is \$8.5 million in authorization remaining as of September 30, 2013. The enabling legislation for this bond issue is PA 326 of 1988. As of September 30, 2013, the outstanding principal on the Environmental Protection bonds was \$302.3 million.

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Recreation bond: Voters authorized the issuance of \$140.0 million in general obligation bonds to support the development of recreation activities and facilities. Bonds have been issued for this entire amount leaving zero in remaining authorization. The enabling legislation for this bond issue is PA 329 of 1988. As of September 30, 2013, the outstanding principal on the Recreation bonds was \$3.3 million.

The FY 2014-15 budget eliminated the use of the Refined Petroleum Fund to pay debt service on the Quality of Life Bond by increasing the GF/GP revenue by \$3.0 million. The total funding for this program is \$81,360,000 in FY 2014-15 and is completely funded with GF/GP revenue. This is the final fund shift in a three-year phase out of the use of the Refined Petroleum Fund and all future funding for this line item is anticipated to come from the General Fund.

2. <u>Clean Michigan initiative</u>	\$57,224,000
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This line supports the debt service payments for a general obligation bond approved by voters in 1994. The proceeds for Clean Michigan Initiative (CMI) bonds are used for environmental cleanup, pollution prevention, and redevelopment projects, including nonpoint source pollution control and waterfront redevelopment. Voters authorized the issuance of \$675.0 million in bonds. As of September 30, 2013, \$80.4 million in authorization remains and the outstanding principal on the Clean Michigan Initiative bonds was \$468.1 million.

3. <u>Great Lakes water quality bond</u>	\$13,811,000
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This line supports the debt service payments for a general obligation bond approved by voters in 2002. The proceeds are used for sewage treatment projects, storm water projects, and reducing nonpoint source water pollution. Voters authorized the issuance of \$1.0 billion in bonds of which \$784.9 million remains available as of September 30, 2013. The outstanding principal on the Great Lakes Water Quality bonds was \$127.6 million as of September 30, 2013. The budget for FY 2013-14 includes approximately \$8.0 million to pay debt service on a proposed new issuance of \$100.0 million.

The FY 2014-15 budget includes new debt service payments totaling \$6.5 million GF/GP bringing the total debt service payment for this bond to \$13,811,000 (all GF/GP) in FY 2014-15. The debt service payments for this bond will cover debt service on existing bonds and the additional costs of a proposed \$97.0 million bond issue. There is \$97.0 million in spending authority in the FY 2014-15 DEQ enacted budget for these bonds under the Strategic Water Quality Initiative Fund (SWQIF) within DEQ. The bonds are issued under Proposal 2 of 2002 and can be spent on grants and loans to municipalities for groundwater and storm water management. The increases are due to changes in the statute that establishes the SWQIF that makes the grants and loans more attractive to municipalities

Unit Gross Appropriation	\$152,395,000
State general fund/general purpose	152,395,000

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Sec. 108 (9) GRANTS

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| 1. <u>Convention facility development distribution</u> | \$90,950,000 |
| <p>The Convention Facility Development Fund was established by the State Convention Facility Act, Public Act 106 of 1985, to assist local governments in the financing of major convention facilities. Revenue for the Fund is generated by a statewide 4% Liquor Excise tax and an Accommodations tax in Wayne, Oakland, and Macomb counties. The revenue is used to pay the debt service on Cobo Hall in Detroit, make payments to the Detroit Regional Convention Facility Authority, and for payments to Michigan's 83 counties. For FY 2005-06, \$1.0 million was earmarked for the Sports Tourism Fund to offset costs for the Super Bowl (HB 5480). In FY 2009-10, \$9.0 million was appropriated from the 21st Century Jobs Trust Fund related to the transfer of Cobo Hall to a regional authority.</p> | |
| 2. <u>Senior citizens cooperative housing tax exemption program</u> | \$12,020,000 |
| <p>The Senior Citizens' Cooperative Housing Tax Exemption Program was established under MCL 211.7d. With general fund dollars, the State pays the property taxes on behalf of a qualified housing facility to the local unit of government. The four qualifications for a facility are:</p> <ul style="list-style-type: none"> a. the housing is owned and operated by a non-profit organization, association, or limited dividend housing corporation; b. the housing is for the elderly, the disabled, or mentally ill; c. the housing has 8 or more residential units; and d. the housing was qualified, built, or financed under Section 202 (capital advances for senior housing) or 236 (multi-family projects) of the National Housing Act of 1959, as amended, or Section 811 of Subtitle B of Title VIII of the Cranston-Gonzales National Affordable House Act (supportive housing for persons with disabilities, P.L. 101-625). | |
| 3. <u>Emergency 911 payments</u> | \$27,000,000 |
| <p>The revenue supporting this line is generated by a fee included on all phone bills. The revenue is used to establish and maintain 911 emergency response capabilities. Proceeds from the fee are distributed to counties, the State Police, and suppliers. Public Acts 78 and 79 of 1999 established the program through amendments to the Emergency Telephone Service Enabling Act, PA 32 of 1986, MCL 484.1101 to 484.1717.</p> | |
| 4. <u>Facility for rare isotope beams (FRIB) debt service</u> | \$7,300,000 |
| <p>This line item was added to the Treasury budget in FY 2012-13 to appropriate GF/GP revenue as part of the community share of this project at Michigan State University. It was increased from \$2,339,900 in FY 2012-13 to \$7.3 million in FY 2013-14 to pay the debt service on revenue bonds that will be issued by the Michigan Strategic Fund to provide up to \$90,961,100 for construction costs for the FRIB project.</p> | |

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5. Health and safety fund grants

\$9,000,000

The fund was established in P.A. 264 of 1987 in the Health and Safety Fund Act in conjunction with an increase to the cigarette tax. Four cents from the cigarette tax is deposited in the fund which is distributed pursuant to statute. This line is for the distribution to counties that have never received a loan authorized under Section 3 (2) or (3) of the Emergency Municipal Loan Act. The distribution is made on a per capita basis. Counties are required to use 12/17^{ths} of the distribution for public health prevention programs and services and 5/17^{ths} for county jail or juvenile facility operations, maintenance, equipment, or construction, or for court operations.

Unit Gross Appropriation

\$146,270,000

State restricted funds

126,950,000

State general fund/general purpose

19,320,000

Sec. 108 (10) BUREAU OF STATE LOTTERY

1. Lottery operations

\$24,273,400

Classified FTE positions

183.0

Article IV, Section 41 of the Michigan Constitution of 1963 authorized lotteries and the Michigan Bureau of State Lottery was established in the McCauley-Traxler-Law-Bowman-McNeely Lottery Act, Public Act 239 of 1972 (MCL 432.1 - 432.47). The lottery is an autonomous agency within the Department of Treasury. The Lottery Commissioner is appointed by the Governor with the advice and consent of the Senate.

The Bureau is charged with producing "the maximum amount of net revenues for the state consonant with the general welfare of the people" (MCL 432.9). It operates games on a statewide basis and participates in joint enterprises with other states. MCL 432.12 requires that not less than 45% of the revenue be awarded in prizes. In FY 2009-10, approximately 58% of lottery sales revenue was awarded in prizes. All revenues are deposited in the State Lottery Fund, which is the sole fund source for the Bureau. After the payment of prizes, operations of the Bureau, and \$1,000,000 to the Compulsive Gambling Prevention Fund, the net revenue in the State Lottery Fund is credited to the State School Aid fund for the benefit of K-12 schools. The deposit to the School Aid Fund was approximately \$778.4 million in FY 2011-12.

The Charitable Gaming Division is housed within the Bureau of State Lottery. It was established by Public Act 382 of 1972 (MCL 432.101-432.120). This Division regulates bingo games, raffles, and progressive jackpots which are conducted for charitable purpose. It issues licenses for eligible nonprofit organizations to conduct these games and the fees are established in statute. After deducting the costs of prizes and operations, remaining funds are deposited in the General Fund. The charitable gaming deposit to the General Fund was approximately \$11.3 million in FY 2009-10. Authority for oversight of millionaire parties was transferred by EO 2012-4 to the Michigan Gaming Control Board.

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2. <u>Promotion and advertising</u>	\$18,622,000
This line funds the advertising and marketing expenses of the Bureau in promotion of the Lottery games. The line item was increased by \$931,100 or 5.3% in FY 2012-13, restoring a cut of 5% made in FY 2010-11. The line item remains unchanged for FY 2014-15.	
3. <u>Information technology services and projects</u>	\$5,211,100
Supports information technology services provided by the Department of Technology, Management, and Budget.	
Unit Gross Appropriation	\$48,106,500
State restricted funds	48,106,500
State general fund/general purpose	0

Sec. 108 (11) CASINO GAMING

1. <u>Michigan gaming control board</u>	\$50,000
The Michigan Gaming Control Board was established in the Gaming Control and Revenue Act, (MCL 432.201-432.226), also known as Initiated Law 1 of 1996. The law was the result of a vote of the electorate to establish casino gaming in Michigan. It was modified subsequently by Public Act 69 of 1997. Casino gaming is limited to three casinos in the City of Detroit. The Michigan Gaming Control Board supervises and regulates these casinos. Gaming on Indian Reservations does not fall under the direct oversight of the Board.	
The Michigan Gaming Control Board has five members who are appointed by the Government to alternating 4-year terms. This line item supports travel, hotel, meeting room, and per diem expenses for the five Board members.	
2. <u>Casino gaming control administration</u>	\$25,269,400
Classified FTE positions	119.0
All operational expenses for Casino Gaming are funded through this line. The agency regulates the operation of the three Detroit casinos, including licensing for vendors, security oversight, testing of slot machines, and inspections of the premises. In addition, EO 2012-4 transferred oversight of millionaire parties, a charitable gaming activity, from the Bureau of State Lottery to the Michigan Gaming Control Board. It works in conjunction with the Departments of Attorney General and State Police.	

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The agency is supported with annual assessments from the three casinos that are deposited in the State Services Fee Fund. Statute requires that money in the Fund is spent on regulatory and enforcement costs, compulsive gambling programs, casino-related programs and activities, casino-related legal services provided by the attorney general, and the casino-related expenses of the department of state police. Funds must be appropriated by the Legislature.

Duties of the agency related to Indian casinos are limited to overseeing the State-Indian compact provisions. The staff inspects facilities, test gambling machines, and conduct financial audits of the Indian casinos. The agency has two staff persons assigned to this area. The Board members are not involved in this function.

3. <u>Casino gaming information technology services and projects</u>	\$1,984,400
Supports information technology services provided by the Department of Technology, Management, and Budget.	
4. <u>Racing Commission</u>	\$2,352,400
Classified FTE positions	10.0
Executive Orders 2009-45 and 2009-54 transferred horse racing regulation from Department of Agriculture to the Gaming Control Board within the Department of Treasury. The position of Racing Manager is an unclassified position appropriated in the Executive Direction unit.	
Unit Gross Appropriation	\$29,656,200
State restricted funds	29,656,200
State general fund/general purpose	0

Sec. 108 (12) Payments in Lieu of Taxes

1. <u>Commercial forest reserves</u>	\$3,207,700
Part 511 of the Natural Resources and Environmental Protection Act, Act 451 of 1994 (MCL 324.51101-324.51120), provides a tax incentive to private landowners who retain and manage forest land for long-term timber production, and who apply for and are granted certification as a commercial forest. Commercial forests are exempt from ad valorem property taxes. The owner and the State instead each pay \$1.25 per acre. This rate increased from \$1.20 to \$1.25 in 2012 for FY 2012-13 payments. Pursuant to statute the rate will increase by five cents every five years thereafter. The State payments were first prorated in FY 2009-10. Proration is prohibited beginning in FY 2012-13 due to changes in 2012 PA 604.	
2. <u>Purchased lands</u>	\$7,298,400
Article I, Part 21, Subpart 14 of the Natural Resources and Environmental Protection Act, Act 451 of 1994 (MCL 324.2152-324.2154) requires the Department to make ad valorem tax payments, characterized as payments in lieu of taxes, on Department-owned lands purchased on or after January 1, 1933. Public Acts 603 and 604 of 2012 revised several key elements of the program:	
<ul style="list-style-type: none"> • Proration of payments was prohibited beginning in FY 2012-13, however, appropriation of funds is required. 	

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- Beginning in FY 2013-14, the taxable value used for the properties in the program will be the greater of the taxable value computed according to the General Property Tax Act (the value as of the prior December 31) or the lagged taxable value under the purchased land statute.
- Beginning in FY 2013-14, the millage rate used to calculate payments will be the current rate including special assessments.
- Beginning in FY 2013-14, there is the potential for penalties (reductions in payments) to locals for late filing and State-paid penalties for incomplete State payments.

These changes reversed several provisions enacted in 2004 to address the rising cost of the program at that time. Historically, annual increases in the taxable value of property accounted for approximately 65% of the annual increase required to fully fund this obligation and prior to 2004 supplemental appropriations were often required to provide sufficient funding. To address some of these issues, statutory changes enacted in 2004 froze for 5 years the valuation of the lands at their 2004 taxable value, for future land purchases, the value at the time of purchase. The taxable values began adjusting again in 2009 with changes limited to the lesser of the prior year increase in general price level or 5%. The enacted changes also capped the mills that were permitted to be assessed on the DNR-owned property at the amount paid in 2004.

After 2011, payments on land purchased with the Natural Resources Trust Fund are paid entirely from that fund for both school and non-school assessments. Payments on land purchased from other fund sources will be made as before, with school charges from the School Aid Fund, and remaining payments split between relevant restricted funds and GF/GP revenue.

Public Act 31 of 2010 amended the statute to provide for proration of payments in FY 2009-10 only. It also simplified administration of the program by requiring property tax statements to be bundled by county prior to submission. Public Act 118 of 2011 changed the fund sources beginning in 2012 and permitted proration of payments from all fund sources except the Natural Resources Trust Fund. Public Act 603 of 2012 applied penalties to the State for partial payments, essentially reinstating the prohibition on proration.

3. Swamp and tax reverted lands

\$10,668,800

Article I, Part 21, Subpart 13 of the Natural Resources and Environmental Protection Act, Act 451 of 1994, (MCL 324.2150-324.2151) requires the Department to make payments in lieu of taxes to counties and townships in which there are tax reverted, recreation, and forest lands under the control of the Department, which were purchased prior to January 1, 1933, tax reverted before 1999, or are from a gift or bequest. The payments are set in MCL 324.2150 at a specific rate per acre, with 50% payable to counties, and 50% payable to townships. Public Act 603 of 2012 revised the rate per acre from the current \$2.00 per acre to \$3.00 per acre in FY 2014-15 and \$4.00 per acre in FY 2015-16. Subsequent years would increase by an inflationary adjustment of up to 5%. Statute requires that the payments be made from the General Fund. Much of the swamp and tax reverted land is State forest land. This program covers about 3.5 million acres of land owned by the Department of Natural Resources.

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The program was first appropriated in the Treasury budget in FY 2008-09. In prior years, funding was appropriated in the budget for the former Department of Natural Resources. The line item was prorated from FY 2009-10 to FY 2011-12. Supplemental in FY 2012-13 is estimated to eliminate proration in that year. PA 603 prohibited proration of these payments, however, funds must be appropriated annually.

Unit Gross Appropriation	\$21,174,900
Private funds	23,100
State restricted funds	4,482,500
State general fund/general purpose	16,669,300

MICHIGAN STRATEGIC FUND - APPROPRIATION SUMMARY (for Michigan Strategic Fund and MSHDA)

- | | |
|---|------------------------|
| 1. <u>Unclassified full-time equated (FTE) positions</u> - Positions that are exempted from the classified State civil service pursuant to Article XI, Section 5 of the Michigan Constitution. These positions include elected officials, heads of principal departments, and a limited number of policy-making positions in departments. | 0 |
| 2. <u>Classified FTE positions</u> - All positions in State service unless exempted by Article XI, Section 5 of the Michigan Constitution. One FTE position equals 2,088 hours. | 756.0 |
| 3. <u>GROSS APPROPRIATION</u> - Total appropriations | \$1,024,779,900 |
| 4. <u>Interdepartmental grants (IDG)</u> - Funds that are also appropriated in other budgets. These funds are categorized as IDGs in the department that spends the funds and are therefore subtracted from the Gross Appropriation to avoid double counting total Statewide appropriations. | 0 |
| 5. <u>ADJUSTED GROSS APPROPRIATION</u> - Gross appropriations less IDGs. | 1,024,779,900 |
| 6. <u>Federal revenue</u> - Funding allocated to the State by the Federal government. | 627,370,300 |
| 7. <u>Local revenue</u> - Funds paid by local units of government that support State services and programs. | 4,433,500 |
| 8. <u>Private revenue</u> - Available appropriated funds from private sources, including funding from non-governmental agencies. | 5,654,900 |
| 9. <u>State restricted revenue</u> - Revenue earmarked for a specific purpose by the State Constitution, statute, or appropriation bill. Restricted revenue also includes general fund/special purpose funds, such as fee revenue used to support licensing programs. | 142,678,700 |
| 10. <u>State general fund/general purpose</u> - Revenue that has no constitutional or statutory restrictions on how it is used. | 244,642,500 |
| 11. <u>Payments to locals</u> - State appropriations from GF/GP or State restricted revenues that will be allocated to local units of government. | 11,224,800 |

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Sec. 108 (13) MICHIGAN STRATEGIC FUND

Note: The Michigan Strategic Fund was transferred to Department of Treasury by P.A. 225 of 2005.

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| 1. <u>Administration services</u> | \$3,131,700 |
| Classified FTE positions | 22.0 |
| Provides funding for the central administrative staff and operations of this Agency including personnel, budgeting, and finance. This line is entirely funded with GF/GP revenue. | |
| 2. <u>Job Creation Services</u> | \$19,021,100 |
| Classified FTE positions | 139.0 |
| <p>This line item contains funding for the operation of programs conducted by the Michigan Economic Development Corporation (MEDC) on behalf of the Michigan Strategic Fund. These include business development activities such as account managers who maintain contacts with existing Michigan businesses regarding expansion and retention, site location services, and international business development. Also included are the operations of development finance activities, community redevelopment, access to capital, business and tourism marketing, and ongoing responsibilities related to MEGA and brownfield tax credits, community development block grants, and industrial development revenue bonds.</p> <p>The FY 2013-14 budget added 2.0 FTEs for arts grant administration, a \$385,000 GF/GP increase, and \$4,575,000 GF/GP for the following special projects:</p> <ul style="list-style-type: none"> • \$2.0 million for the Kalamazoo Valley Community College Healthy Living Program. • \$2.0 million for the Grand Rapids Public Museum. • \$375,000 for the Holland windmill. • \$200,000 for job training by the Children Community Foundation. <p>All \$4,575,000 for the above special projects were removed in the FY 2014-15 budget.</p> | |
| 3. <u>Pure Michigan</u> | \$29,000,000 |
| <p>This line item replaced the former Michigan Promotion Program line item in FY 2011-12. The line funds the Pure Michigan advertising campaigns that promote Michigan as a travel destination. This line item is funded from the 21st Century Jobs Trust Fund. The budget added \$4.0 million in FY 2013-14 to this line item to support advertising in international markets.</p> | |
| 4. <u>Entrepreneurship eco-system</u> | \$25,000,000 |
| <p>This line item, new in FY 2011-12, uses 21st Century Job Trust Fund money for the programs allowed under Chapter 8A of the Michigan Strategic Fund Act. Boilerplate Sec. 1034b allocates \$500,000 in FY 2013-14 to the Van Andel Institute for match for funding received from the Department of Defense and the National Institutes of Health for advance medical research. This boilerplate section is deleted in FY 2014-15; however, the Van Andel Institute will receive a total of \$4.5 million from the one-time funding of \$15.75 million for Special Grants (discussed in Sec. 108 (18) below).</p> | |

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5. Business Attraction and Community Revitalization \$112,100,000

The appropriation supports the Community Redevelopment Incentives and the Michigan Business Development Incentives that replace the Michigan Economic Growth Authority (MEGA), brownfield, and historic preservation tax credits. In FY 2014-15 the line item is funded by \$21.0 million from the 21st Century Jobs Trust Fund and \$91.1 million GF/GP. In addition, the budget includes one-time GF/GP funding of \$17.9 million for total funding of \$130.0 million. See also boilerplate Sec. 1024. In FY 2011-12 and FY 2012-13, this line item was called Business Attraction and Economic Gardening.

Business Attraction and Community Revitalization Appropriations and Fund Sources (millions)				
Appropriation	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
Business Attraction and Community Revitalization ¹⁾	\$100.0	\$100.0	\$120.0	\$130.0
Funding Sources				
21 st Century Jobs Trust Fund	25.0	25.0	17.5	21.0
Ongoing GF/GP	50.0	75.0	77.7	91.1
One-time GF/GP	50.0	0	24.8	17.9
1) This appropriation was called Business Attraction and Economic Gardening in FY 2011-12 and FY 2012-13.				

6. Community Ventures \$9,800,000

Classified FTE Positions 7.0

This line item was new in FY 2012-13. The program provides targeted job training and support for persons with barriers to employment in four target cities: Detroit, Flint, Pontiac, and Saginaw. This is part of the Governor's public safety initiative. The program is operated by contracts with training providers and social service agencies. The FY 2013-14 budget added 7.0 FTE positions.

7. Michigan Film Office \$891,900

Classified FTE positions 6.0

The Michigan Film Office provides administration, support, and promotion of the Michigan Film Tax Credit. The program is funded by GF/GP revenue and fee revenue to the Michigan Film Promotion Fund.

8. Film incentives \$25,000,000

This line item was added in FY 2014-15. The budget converts \$25.0 million of FY 2013-14 one-time funding for film incentives into ongoing funding for FY 2014-15. This appropriation is for the Michigan Film and Digital Media Incentive program created by MCL 125.2029h. The film incentives are awarded by the Michigan Film Office which is part of the Michigan Strategic Fund.

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9. <u>Energy programs</u>	\$3,610,900
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This line funds the Michigan Energy Office which includes the biomass, recycling, and energy efficiency programs. This line is funded with Federal Department of Energy grant dollars and some State Restricted funding (Public Utility Assessments). Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF.

10. <u>Community Development Block Grants</u>	\$47,000,000
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This Federal Department of Housing and Urban Development grant program is administered by the MEDC. The State receives Federal funds that are awarded by the Michigan Strategic Fund Board for projects benefiting low- and moderate-income areas within communities with a population of less than 50,000. (These are referred to as nonentitlement communities.) The grants can be used for revitalization of neighborhoods, expanding affordable housing, and improving community facilities and services. States are permitted to develop individual plans for the awarding of these funds consistent with Federal guidelines which include:

- Acquiring real property;
- Reconstructing or rehabilitating housing;
- Building public facilities and improvements;
- Education and training;
- Assisting for-profit businesses with special economic activities such as loans or assembling land;
- Providing public services for youths, seniors, or the disabled;
- Crime reduction initiatives;
- Down payment assistance for home buyers;
- Building code enforcement.

The State plan also permits the use of these funds for urban redevelopment efforts, including downtown development, primary district gateway improvements, public improvements to SmartZones (areas that can use tax increment financing for business incubator facilities) and Renaissance Zones (designated areas with almost no State or local taxes), and enhancements to business parks.

11. <u>Arts and Cultural Program</u>	\$10,150,000
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This program funds arts and cultural grants distributed by the Michigan Council for Arts and Cultural Affairs. The appropriation was increased by \$3,582,600 GF/GP in FY 2012-13 and \$2.0 million GF/GP in FY 2013-14.

EO 2009-36 abolished the former Department of History, Arts, and Libraries and transferred the Council for Arts and Cultural Affairs and the Arts and Cultural grant program to the MSF beginning in FY 2009-10. The line is funded by GF/GP revenue and Federal grants.

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| 12. | <u>GEAR-UP program grants</u>

Executive Order 2011-4 transferred Gaining Early Awareness and Readiness for Undergraduate Programs, a federally funded program known as GEAR-UP, transferred from DLARA to the newly created Workforce Development Agency within the MSF. The FY 2013-14 budget added \$1,730,700 Federal for scholarship funds for participants. | \$4,730,700 |
| 13. | <u>Carl D. Perkins grants</u>

These federal funds are used for grants to public community colleges for improving occupational education programs. Projects may include curriculum development, professional training, equipment, student services, and coordination with K-12 schools. Administrative costs are also included. Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF. Previously, Executive Order 2007-4 transferred much of the career preparation program from DELEG to the Department of Education. | \$19,000,000 |
| 14. | <u>Adult basic education</u>

This is the Federal portion of the adult education funding. These funds are awarded to educational agencies, community-based organizations, volunteer literacy organizations, nonprofit agencies, libraries, public housing authorities, or a consortium of any of the organizations. The funds are split into two categories of grants:

A. Instructional Program Grants. Grants awarded directly for instructional purposes with up to 10.0% set aside for correctional programs. The Federal funding formula parallels the State funding formula which is 450 hours = 1.0 FTE.

B. State Leadership Grants. Grants required by the Federal regulations to provide 12.5% for professional development, curriculum development, and technology assistance.

Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF. | \$20,000,000 |
| 15. | <u>Adult education</u>

Classified FTE positions

Funding in this line is used to administer both the Federal- and State-funded Adult Education Programs. The Federal funding provided to the school districts is appropriated under the Grants section of this act. The State funding for Adult Education is appropriated in the School Aid Act. The programs administered include:

A. High School Completion. Programs designed to prepare students to meet the requirements for a high school diploma.

B. General Education Degree (GED) Test Preparation. Programs designed to prepare students to pass the GED test. These include instruction in English, language arts, math, social studies, science and writing.

C. Adult Basic Education. Programs provide instruction in reading, English, language arts, math, and civics for adults without a high school diploma. | \$2,939,800

16.0 |

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D. English as a Second Language. Programs provide instruction in reading, speaking, writing, and comprehension of the English language.	
16. <u>Postsecondary education</u>	\$2,064,300
Classified FTE positions	9.0
This line item includes funding for the following units:	
A. Community College Services Unit. Administers both the Community College Services Unit which requires collecting and reporting all student data and administering State and Federal grants made available for technical assistance, curriculum development, and for providing service to special populations.	
B. King-Chavez-Parks Initiative. Provides funding to administer programs to increase the participation of educationally disadvantaged students in Michigan's higher education system. The funding in this budget is strictly for administration while the appropriation for programming and scholarships is included in the Higher Education Appropriation Act. The Initiative provides scholarship funding through these six programs:	
1. College Day Program	
2. Visiting Professors Program	
3. Future Faculty Fellowship	
4. Michigan College/University Partnership Program (MICUP)	
5. Morris Hood, Jr., Educator Development (MHED) Program	
6. Select Student Support Services (4S) Program	
C. Educational Corporations. Approves nonpublic educational corporations including nonpublic elementary and secondary schools and private higher education institutions.	
D. Veterans Education. Administers the contract between the Department of Education and the U.S. Department of Veterans Affairs which requires monitoring of State-licensed facilities and training programs to ensure that veterans attending these programs receive quality education.	
Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF. The FY 2013-14 budget removed \$800,000 in unrealized Federal funds.	

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| 17. <u>Employment services</u> | \$35,166,900 |
| Classified FTE positions | 125.0 |
| <p>This program was a unit of the Unemployment Agency until it was separated by Executive Order in 1997. This Agency provides employment service information and services to unemployed individuals, provides specialized services to veterans, migrant and seasonal farm work, processes applications for alien labor certification, and performs investigations and administers the Trade Adjustment Assistance-North American Free Trade Act at the State and local level. This unit also is responsible for maintaining the Michigan Talent Bank which is a labor exchange system where both employers and employees can post jobs or resumes. Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF. In a FTE true-up, 121.0 unfunded FTE positions were eliminated from the line in FY 2012-13. The FY 2013-14 budget removed \$14,328,200 in unrealized Federal funds.</p> | |
| 18. <u>Workforce development agency administrative services</u> | \$1,740,400 |
| Classified FTE positions | 22.0 |
| <p>The combined the former DLARA line items for Administrative Services and Executive Director Programs for the workforce programs. Executive Order 2011-4 transferred these functions from DLARA to the Workforce Development Agency within MSF.</p> | |
| 19. <u>Workforce program administration</u> | \$13,404,400 |
| Classified FTE positions | 57.0 |
| <p>This unit, formerly the Office of Workforce Development, administers the Federal Workforce Investment Act program, Work First, Federal Welfare-to-Work, Federal Food Assistance Employment Training Program, and the Michigan Works! Service Center Program. Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF.</p> | |
| 20. <u>Workforce development programs</u> | \$250,819,100 |
| <p>This line is funding for Michigan Works! agencies for federally funding workforce training programs including Workforce Investment Act and Trade Adjustment Assistance. These funds are distributed according to formula and the statewide plan which is approved by the U.S. Department of Labor.</p> | |
| 21. <u>Welfare-to-work programs</u> | \$75,357,200 |
| <p>This line includes funding for the four welfare-to-work programs administered by the State. This includes an employment and training program for Food Stamp Recipients, noncustodial parents in arrears with child support payments, and noncash recipients, as well as the cash recipients. These funds are awarded to the 26 local Michigan Works! agencies which award grants to local service providers. Executive Order 2011-4 transferred this program from DLARA to the Workforce Development Agency within MSF. The FY 2014-15 budget removed \$4.0 million in funding due to a decrease in caseloads and an additional \$10.0 million in unrealized Federal funds.</p> | |

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22.	<u>Community college skilled trades equipment program</u>	\$4,600,000
	This line item was added in FY 2014-15. The budget includes \$4.6 million for the first year of debt service on a proposed \$50.0 million MSF bond issue to update technology at community colleges for training students for high demand occupations. The MSF board will award the funds through an RFP process.	
23.	<u>Workforce development agency rent and property management</u>	\$870,500
	This funds the rent and property management charges for programs transferred to MSF by Executive Order 2011-4.	
24.	<u>Skilled trades training program</u>	\$10,000,000
	This line item was added in FY 2014-15 and was converted to ongoing funding beginning in this fiscal year. This program was funded with one-time funding in FY 2013-14.	
25.	<u>Information technology services and projects</u>	\$925,000
	This line was added in FY 2011-12 for spending for the information technology costs of programs transferred from DLARA to MSF by Executive Order 2011-4. The FY 2013-14 budget removed \$2,016,700 in unrealized Federal revenue.	
	Unit Gross Appropriation	\$726,323,900
	Federal revenue	459,510,300
	Local revenue	4,433,500
	Private revenue	5,654,900
	State restricted revenue	76,682,700
	State general fund/general purpose revenue	180,042,500

Sec. 108 (14) REVENUE SHARING

1.	<u>Constitutional state general revenue sharing grants</u>	\$758,272,400
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Article IX, Section 10 of the Michigan Constitution designates 15% of collections of a 4% sales tax to townships, cities, and villages (not counties). This percentage translates into 10% of the current 6% sales tax. Payment is made in an equal amount per capita based on population. The Constitution states that the Legislature may exclude "persons who are wards, patients, or convicts in any tax supported institution." The Glenn Steil State Revenue Sharing Act, PA 140 of 1971, MCL 141.903, states that 50% of the population of such institutions shall be counted for the purpose of determining the grant for a local unit of government.

The initial appropriation for constitutional revenue sharing is based on the sales tax estimate from the May 2014 Consensus Revenue Estimating Conference. Actual payments are based on actual sales tax collections. Payments are made six times per year on the last business day of October, December, February, April, June, and August. Each payment is calculated based on the collection from the two-month period that ends on the prior August 31, October 31, December 31, February 28, April 30, and June 30.

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2. City, village, and township revenue sharing [Ongoing funding]

\$243,040,000

The former Economic Vitality Incentive Program (EVIP) was renamed to City, Village, and Township Revenue Sharing and revised for FY 2014-15. The budget expanded eligibility to any city, village, or township (CVT) with a revenue sharing population of more than 7,500, added a per capita payment to the calculation, and reduced the program requirements. This increased the number of local governments eligible for payments from 486 in FY 2013-14 to 587 in FY 2014-15. Total funding for this program is \$248,840,000 in FY 2014-15 which consists of \$243,040,000 in ongoing appropriations and \$5,800,000 in one-time funding which is appropriated in the unit for One-Time Basis Only Appropriations.

In FY 2014-15, there are two alternative payment calculations for this program of statutory or nonconstitutional revenue sharing for CVTs. An eligible CVT will receive the higher of the two calculations based on compliance with accountability and transparency requirements. For a CVT that received at least \$4,500 in statutory revenue sharing in FY 2009-10, the payment in FY 2014-15 is equal to 78.51044% of in FY 2009-10 payments, about a 3.1% increase over the FY 2013-14 payment amount. Alternatively, a local unit with a population of more than 7,500 is eligible to receive a payment of \$2.64659 per capita. A local unit that meets both prior payment and population criteria is eligible to receive the higher of the either the 3.1% increase or the per capita payment. Qualifying for a payment requires compliance with accountability and transparency requirements described in Sec. 952.

For FY 2011-12 through FY 2013-14, nonconstitutional revenue sharing for eligible CVTs was distributed through the EVIP program. Under EVIP, a CVT that received at least \$4,500 in statutory revenue sharing in FY 2009-10, was eligible to receive a percentage of the prior year payment. An eligible CVT qualified for payment by completing requirements in the categories of accountability and transparency, consolidation of services, and unfunded liabilities. The unfunded liabilities category replaced the employment compensation category beginning in FY 2013-14. The table below summarizes the recent appropriations for this program.

Year-to-Date Appropriation History EVIP in FY 2011-12 to FY 2013-14 City, Village, and Township Revenue Sharing in FY 2014-15 (millions)			
	Ongoing	One-time^{b)}	Total
FY 2011-12	\$195.0	\$15.0	\$210.0
FY 2012-13	217.5	7.5	225.0
FY 2013-14	226.3	9.5	235.8
FY 2014-15	242.0	5.8	248.8
^{a)} Excludes \$5.0 million allocated in boilerplate for the Competitive Grant Assistance Program ^{b)} One-time funding is appropriated in a separate unit, Sec. 108(17), which is described below.			

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3. County Incentive Program

\$42,240,000

Revenue sharing payments to eligible counties are calculated according to a statutory formula and distributed through two line items: County Incentive Program and County Revenue Sharing. An eligible county is one that has completed withdrawals from its revenue sharing reserve account, created in FY 2004 by a one-time acceleration of county property tax collections. In FY 2014-15, an eligible county that complies with the accountability and transparency requirements of the County Incentive Program will receive 100% of its statutory payment with no proration through the two line items, 20% through the County Incentive Program and 80% through the County Revenue Sharing line item.

The County Incentive Program makes a portion of the State-paid revenue sharing to eligible counties based on incentive requirements. FY 2012-13 was the first year of this program. In FY 2014-15, program requirements were reduced to compliance with accountability and transparency requirements only. These requirements are in Sec. 952. Revenue sharing payments to counties are funded from ongoing revenue in FY 2014-15.

County Incentive Program Year-to-Date Appropriation History (millions)			
	Ongoing	One-time	Total
FY 2012-13	\$23.6	\$2.5	\$26.1
FY 2013-14	22.7	6.5	29.1
FY 2014-15	42.2	0.0	42.2

4. County revenue sharing

\$168,960,000

Distributes funds to eligible counties pursuant to the Glenn Steil State Revenue Sharing Act, Public Act 140 of 1971, MCL 141.901 to 141.921.

In 2004, property tax collections by counties were accelerated and the proceeds placed in a revenue sharing reserve account for each county. Beginning in FY 2004-05, counties were allowed to make withdrawals from these accounts each year in an amount equal to their FY 2003-04 revenue sharing payment adjusted for inflation. These withdrawals replaced State revenue sharing payments to counties, reducing State costs. When a county depleted its reserve account, it returned to State-paid revenue sharing. "Full funding" of this program would pay each county that had depleted its revenue sharing reserve account the amount that it received in revenue sharing in FY 2003-04, adjusted by inflation for each year that the county made withdrawals from its revenue sharing reserve account. Once a county exhausts its revenue sharing reserve account, payments are no longer adjusted for inflation. MCL 141.911(6) authorizes proration of State payments as necessary based on the amount of appropriated. In FY 2013-14, 63 counties are expected to receive State revenue sharing payments for all or part of the year and 20 counties continue to draw from their revenue sharing reserve accounts.

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The appropriation for County Revenue Sharing increased by 44.9% in FY 2014-15 due to the elimination of the proration that had been in effect for the program and 11 additional counties (Benzie, Cheboygan, Crawford, Grand Traverse, Lake, Montmorency, Oakland, Ogemaw, Oscoda, Otsego, and Presque Isle) becoming eligible in FY 2014-15 for full- or part-year payments.

State-Paid Revenue Sharing to Counties				
Year-to-Date Appropriations FY 2004-05 to FY 2014-15				
	Number of Eligible Counties	County Incentive Program	County Revenue Sharing	Total
FY 2004-05	0	\$0	\$0	\$0
FY 2005-06	0	0	0	0
FY 2006-07	0	0	0	0
FY 2007-08*	1	0	18,854	\$18,854
FY 2008-09	7	0	2,961,840	2,961,840
FY 2009-10	20	0	55,291,700	55,291,700
FY 2010-11	37	0	112,502,927	112,502,927
FY 2011-12	50	0	115,000,000	115,000,000
FY 2012-13**	62	\$26,120,000	104,480,000	130,600,000
FY 2013-14	63	29,152,000	116,608,000	145,760,000
FY 2014-15	74	42,240,000	168,960,000	211,200,000
*Tuscola County was the first of the 83 counties to re-enter State-paid revenue sharing. The first year payment is usually a partial year payment.				
**Beginning in FY 2012-13, the County Incentive program payments were made to eligible counties as part of the total revenue sharing payments.				

5. Financially distressed cities, villages, or townships [ongoing funding only]

\$5,000,000

This program is new in FY 2014-15. Ongoing funding of \$5.0 million combines with \$3.0 million in one-time funding to bring total resources for the program to \$8.0 million. It will provide grants of up to \$2.0 million to a city, village, or township that meets conditions of probable financial stress as determined by the Department of Treasury. The grants are for projects that move the local government toward financial stability, such as payments to reduce unfunded accrued liability, to repair critical infrastructure owned and maintained by the local unit, to reduce general fund debt, for costs associated with a transition to shared services, or other projects developed by the city, village, or township in conjunction with the Department of Treasury. Sec. 956 describes the program.

Unit Gross Appropriation

Sales tax

\$1,217,512,400

State general fund/general purpose

1,217,512,400

0

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Sec. 108 (15) MICHIGAN STRATEGIC FUND - MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY (MSHDA)

MSHDA is an independent authority within the MSF. The MSHDA board consists of eight members, five of whom are appointed by the Governor with the advice and consent of the Senate to serve four-year terms. The remaining three seats are held by three heads of principal executive departments. The Authority oversees Federal housing programs, assists in ensuring affordable housing is available through the sale of tax-exempt bonds and notes and providing grant funding to nonprofit organizations for rehabilitation. MSHDA administers significant Federal programs that do not pass through the State budget such as the Neighborhood Stabilization Program. MSHDA also provides homeownership counseling through contractors and provides foreclosure prevention assistance.

MSHDA was transferred from the Department of Energy, Labor, and Economic Growth to the Department of Treasury by Executive Order 2010-2. Subsequently, Executive Order 2011-4 transferred MSHDA to the Michigan Strategic Fund within the Department of Treasury.

1. Payments on behalf of tenants \$166,860,000

The Authority administers the Federal Section 8 Existing Housing Program by providing rental subsidies for households with very low income. The subsidies equate to the difference between fair market rental rates and a fixed percentage of the tenants family income, not to exceed 30.0%. Eligible recipients include senior citizens, the disabled, and low-income families that meet the Federal income limits.

2. Housing and rental assistance program \$57,957,900

Classified FTE positions 347.0

This line supports the administration of the Authority and related programs, including salary and fringe benefits for the Authority staff. Beginning with supplemental funding in FY 2012-13, the MSHDA director's salary is funded through the Department of Treasury unclassified line.

An FTE true-up added 56.0 FTEs in FY 2012-13. The State Historic Preservation Program was rolled into this line in FY 2013-14.

3. Land bank fast track authority – bond finance \$5,250,000

Classified FTE positions 6.0

The Land Bank Fast Track Authority deals with tax reverted properties to assemble parcels, clear titles, and return the property to productive use. Executive Order 2010-2 transferred the Land Bank from the Department of Energy, Labor, and Economic Growth to the Department of Treasury. Bonding functions were moved to the Michigan Finance Authority. Executive Order 2011-4 transferred this program from Treasury to MSF within Treasury. Executive Order 2013-8 transferred the program to MSHDA. The budget increased funding by \$3,950,000 that brings the total appropriation for this program to \$5,250,000 for FY 2014-15. This additional funding will be used 50% for operations costs and 50% for the Good Neighbor property management program to help maintain properties owned by the Land Bank.

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4. <u>Lighthouse preservation program</u>	\$307,500
<p>This program is funded by revenue received from special license plates. This funding was authorized by P.A. 73 of 2000. It provides assistance to local groups in protecting and preserving lighthouses around the State. Michigan has the greatest number of lighthouses of any State. Due to global positioning and other modern navigation devices, the use of lighthouses became unnecessary. Starting in the 1990's the U.S. Coastguard began disposing of these buildings, which in Michigan totaled 70 lighthouses. This program makes available grant funds available from the proceeds of dedicated license plate revenue. Recipients are required to provide a 50 percent match to receive these funds. This program was transferred to MSHDA in FY 2009-10 when the Department of History, Arts, and Libraries was eliminated by Executive Order 2009-36.</p>	
5. <u>Rent and administrative support</u>	\$3,870,700
<p>This line was added in FY 2010-11 with the MSHDA transfer into the Department of Treasury. It tracks MSHDA expenses for rent and administrative support separately from other similar Department expenses. (Previously, in DELEG, MSHDA rent and administrative support was appropriated in the Executive Direction Unit with other DELEG expenses.)</p>	
6. <u>Michigan state housing development authority technology services and projects</u>	\$3,559,900
<p>This line was added in FY 2010-11 with the MSHDA transfer into the Department of Treasury. It tracks MSHDA information technology spending separately from the Departmental DIT line. (Previously, in DELEG, MSHDA information technology was appropriated in the Information Technology Unit with other DELEG expenses.)</p>	
Unit Gross Appropriation	\$237,806,000
Federal revenue	167,860,000
State restricted revenue	65,996,000
State general fund/general purpose revenue	3,950,000

Sec. 108 (16) STATE BUILDING AUTHORITY

The State Building Authority is authorized to issue and sell bonds and notes for the acquisition and construction of facilities and State equipment. The debt service on the bonds is payable from lease revenue paid by the State pursuant to provisions of the leases. Appropriations for this lease revenue are contained in State Building Authority Rent in the Department of Technology, Management, and Budget (DTMB) while the administrative functions are funded in the Department of Treasury.

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1. <u>State building authority</u>	\$712,400
Classified FTE positions	4.0
The FY 2014-15 budget adds this new line item and FTE positions for the administrative functions of the SBA. These functions were transferred to the Department of Treasury from the DTMB pursuant to Executive Order 2013-8.	
Unit Gross Appropriation	\$712,400
State restricted funds	712,400
State general fund/general purpose	0

Sec. 108 (17) INFORMATION TECHNOLOGY

1. <u>Information technology services and projects</u>	\$25,151,100
This line funds the information technology charges paid by the Department to the DTMB. Executive Order 2009-55 transferred the responsibilities of the former Department of Information Technology to the newly combined Department of Technology, Management, and Budget. Previously, Executive Order 2001-3 centralized technology-related positions and functions in the Department of Information Technology (DIT). 140.0 FTEs were initially transferred to the new department from the Department of Treasury. Of these FTEs, 38.0 were from the Bureau of Lottery, 7.0 were from the Michigan Gaming Control Board, and 95.0 were from the Department of Treasury. The funding is appropriated in the originating department and received in DTMB as an interdepartmental grant from user charges. Beginning with FY 2003-04, Lottery and the Gaming Control Board information technology costs are shown in their respective appropriation units. Since FY 2010-11, MSHDA has had its own information technology line separate from that for Treasury or the Workforce Development Agency within the MSF.	
In FY 2014-15 the line item was increased by \$151,000 for maintenance and upgrading the State's data warehouse and added \$400,000 in new funding for the purchase of new software to meet the Governor's P-20 Longitudinal Initiative to track students from preschool through college.	
Unit Gross Appropriation	\$25,151,100
IDG	400,000
Federal revenues	619,800
State restricted funds	16,557,900
State general fund/general purpose	7,573,400

Sec. 108 (18) ONE-TIME BASIS ONLY APPROPRIATIONS

1. <u>City, village, and township revenue sharing</u>	\$5,800,000
This one-time funding combines with the ongoing funding for this program to increase total resources to \$248,240,000. This line item (formerly the Economic Vitality Incentive Program) was revised to have fewer requirements and renamed in FY 2013-14.	

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2. <u>Financially distressed cities, villages, or townships</u>	\$3,000,000
This one-time funding combines with the ongoing funding for this program to increase total resources to \$10,000,000. This is the first year of one-time funding for this program which is new in FY 2013-14.	
3. <u>MSF – film incentives</u>	\$25,000,000
This appropriation is for the Michigan Film and Digital Media Incentive program created by MCL 125.2029h. The film incentives are awarded by the Michigan Film Office which is part of the Michigan Strategic Fund. Administrative funding for the Office is appropriated in an ongoing line item. This is the fourth year of one-time funding for the program which received \$25.0 million in one-time appropriations in FY 2011-12 and \$50.0 million in one-time funding in FY 2012-13 and FY 2013-14.	
4. <u>MSF, business attraction and community revitalization</u>	\$17,900,000
This one-time funding is in addition to the Business Attraction and Community Revitalization ongoing line item. There was a one-time appropriation of \$50.0 million in FY 2011-12 for this program. That funding became ongoing in FY 2012-13. In FY 2013-14, ongoing funding for this program declined by \$4.8 million and new one-time funding of \$24.8 million was provided. In FY 2014-15, one-time funding from the previous fiscal year declined by \$6.9 million while the ongoing portion of funding increased by \$16.9 million. In total, appropriations for the program are \$130.0 million in FY 2014-15.	
5. <u>MSF, automotive, engineering and manufacturing technology fund</u>	2,000,000
The FY 2014-15 budget includes \$2.0 million in new one-time funding to increase global markets for the Michigan auto sector and to encourage public-private partnerships and collaborations with the auto industry	
6. <u>MSF, special grants</u>	\$15,750,000
The FY 2014-15 budget includes several new programs totaling \$15.75 million that are funded with one-time GF/GP appropriations. The items include: \$4.5 million for Van Andel Advanced Medical Research Matching Grants; \$2.0 million for the Fallen Officers Memorial; \$1.5 million for the Downtown Grand Rapids Market; \$1.5 million for the expansion of the Year-Round Schools Pilot Project; \$1.5 million for the Yankee Air Museum at the former Willow Run Bomber Plant; \$1.3 million for a grant to the West Michigan Airport; \$1.0 million for the Saginaw Art Museum; \$700,000 for the First Merit Bank Park; \$600,000 for Heritage Restoration and Preservation projects; \$500,000 for G.E.D. Testing and Certification; \$300,000 for Detroit Pre-College Engineering grants; \$200,000 for the Capac Senior Center; and \$150,000 for the Waterford Regional Fire Department.	
7. <u>Credit card payment service</u>	\$500,000
Classified FTE positions	6.0
The FY 2014-15 budget includes new one-time funding of \$500,000 for implementation costs associated with the Department accepting credit card payments for individual income taxes owed. Public Act 34 of 2014 added supplemental funding of \$1.5 million in FY 2013-14 for this same purpose for total funding for start-up costs for this program of \$2.0 million over the two fiscal years.	

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8. <u>Personal property tax reform</u>	\$20,800,000
Classified FTE positions	9.0
New one-time funding of \$1.5 million and 9 .0 FTEs are added in FY 2014-15 to complete the implementation of the personal property tax reform and will be used for the administration of reimbursement payments to local units of government.	
9. <u>Treasury, City of Flint police and fire safety grant</u>	\$1,100,000
New one-time funding of \$1.1 million is added in FY 2014-15 to provide a grant to the City of Flint to enhance the city's ability to provide better public safety in the areas of police and fire protection.	
Unit Gross Appropriation	\$91,850,000
State restricted revenue	8,800,000
State general fund/general purpose revenue	83,050,000

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Section Number	Description and History
OPERATIONS	
901	<p><u>Contingency Funds.</u> Provides that a limited amount of Federal, State Restricted, local, and private revenues that come in during the year, such as a new Federal grant, can be appropriated upon approval of a contingency fund transfer to a line item by the Appropriations Committees of both houses of the Legislature. Contingency fund transfers are limited to the following revenue amounts: \$1,000,000 Federal, \$10,000,000 State Restricted, \$200,000 local, and \$40,000 private.</p> <p>Background: Included since FY 2007-08.</p>
902	<p><u>Debt Service Appropriation.</u> Appropriates amounts needed for interest, fees, rebates, and costs associated with issuance and repayment of notes and bonds, cash flow borrowing, and debt service on the School Bond Loan Fund. Also authorizes the State Treasurer to use repayments on loans from the School Bond Loan Fund to pay debt service on bonds or notes issued by the School Bond Loan Fund Program. These repayments are at the determination of the State Treasurer, unless use of the repayments is directed by statute.</p> <p>Background: This section authorizes the State Treasurer to pay debt service costs on general obligation bonds or notes.</p>
902a	<p><u>Notification of Bond Refinancing or Restructuring.</u> Requires the department to notify the Legislature, the fiscal agencies, and the State Budget Office, within 30 days after issuance of any refunding or restructuring bond issue. The notification is required to include a comparison of the debt service before and after the issuance, the change in the principal and interest for the duration of the debt, and the change in the present value of the debt service due to the refinancing and restructuring.</p> <p>Background: The section was added in FY 2011-12 due to concerns raised over the large increase in debt service appropriations in that budget due to prior restructuring of bonds to achieve debt service reductions in FY 2010-11.</p>
903	<p><u>Tax Collection Contracts.</u> Allows the Department to contract with private collection agencies to collect taxes, defaulted student loans, and other accounts due to the State. Limits collection costs and fees. Requires annual report due November 30.</p> <p>Background: The program began in early 1980s. The contract is bid every 5 years. In FY 2003-04, language was added providing for contractual authority to collect defaulted student loans. FY 2009-10 collections totaled \$158,303,456 collected at a cost of \$24,113,928 or about 15.2% of collections. The section was modified in FY 2011-12 to increase the limit on collection costs for defaulted student loans from 23% to 24.36%, consistent with the allowable costs under Federal policy.</p>
904	<p><u>Investment Service Fee.</u> Allows the Department to charge an investment service fee against retirement funds. Authorizes use of this fee revenue up to the appropriated amount for salaries, wages, and other costs of administering the State retirement funds. Also appropriates, in addition to amounts appropriated in Part 1, sufficient amounts from retirement funds for costs necessary to pay for outside consulting services needed for prudent management of retirement funds (including costs of money managers, investment advisors, consultants, and other outside professionals). Requires an annual report of each advisor's portfolio performance.</p> <p>Background: Allows additional funds to be expended for portfolio management beyond what is already appropriated. Originally targeted for consultants for international investments, but broadened to include all types of investments. All advisors are outside contractors and a report is required on the performance of each contractor.</p>

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Section Number	Description and History
904a	<p><u>Financial Services.</u> Appropriates sufficient funds in boilerplate to pay fees for financial services provided by banks under MCL 21.181. These are funded by restricted revenues from common cash interest earnings and investment earnings.</p> <p>Background: First added in 2006-07. MCL 21.181 reads: "That it shall be the duty of the state treasurer to keep the accounts of the treasurer with all banks or depositories where any moneys of the state may be kept or deposited upon the regular books of his office so that each item of all such accounts shall appear therein." This section ensures payment of fees associated with these accounts.</p>
905	<p><u>Municipal Finance Fee Fund.</u> This section creates a revolving fund to receive fees under the Municipal Finance Act. The Fund carries forward and does not lapse to the General Fund.</p> <p>New in FY 2012-13 to provide a mechanism for receiving and spending fee revenue related to the Municipal finance Act.</p>
906	<p><u>Audit Charges.</u> Requires the Department to charge for audits as permitted by State or Federal law and provides for annual report. Designates source of funding for audits appropriated in Part 1. Audits may be performed by Department auditors or by independent contracted CPAs. A report of audits performed and audit charges is required by November 30. Creates a revolving fund for audit charges collected pursuant to contracts with locals. The fund may carry forward.</p> <p>Background: This section refers to the line item "Local finance" in the Local Government Programs Unit in Part 1. The line is partially funded by appropriated revenue from local audit charges. This section requires the Department to bill for audits as permitted by law. The Department does not charge State departments or agencies for the performance of audits. The charges received are from local units of government. Financial audits may be performed by independent CPAs; however, Department staff perform compliance audits. Revenue received from local units of government for audits averages around \$300,000 to \$400,000 per year. The section was modified in FY 2012-13 to create the Audit Charges Revolving Fund. Revenue from audit charges is deposited into the Audit Charges Fund where it can carry forward for future appropriation.</p>
907	<p><u>Assessor Certification and Training Fund.</u> Creates the Assessor Certification and Training Fund, a revolving fund to operate the assessor certification and training program. Limits examination fees to \$50 and certification fees to \$175. Fee revenue is deposited into the revolving fund.</p> <p>Background: This section refers to a fund source in the Local Government Programs Unit. The fees collected in the Fund are administered by the New State Tax Commission which assumed the responsibilities of the State Assessors Board pursuant to Executive Order 2009-51. In FY 2004-05 the language was modified to provide for the first fee increase since October 1, 1988. The exam fee was increased from \$25 to \$50, the initial certification fee from \$35 to \$50, Level 1 and Level 2 renewal fees from \$50 to \$75, and Level 3 and 4 renewal fees from \$95 to \$125. In FY 2013-14, the section was changed so that instead of setting the assessor fees, it capped the fees. The State Tax Commission interprets R 209.145 (adopted in 2010) as authority to set fees for assessor exams and certifications. The renewal fee was increased by the State Tax Commission to \$150 in FY 2012-13 and up to \$175 in FY 2013-14.</p>
908	<p><u>Heating Assistance Program.</u> Specifies that the Home Heating Assistance program appropriation covers costs of program administration.</p> <p>Background: The Department of Treasury administers the Federally funded home heating credit which assists low income residents with heating costs. The Treasury budget includes \$3,023,400 in Federal funds for the costs of administering this program. Funds for the credits are appropriated in the budget for the Department of Human Services. There have been transfers and supplemental appropriations in the past related to one-time Special Energy Allowances made available by the Federal government.</p>

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**Section
Number**

Description and History

909 **Airport Parking Tax Act.** Appropriates revenue from the Airport Parking Tax Act for distribution pursuant to that Act.

Background: This language section appropriates revenue received under the Airport Parking Tax Act and authorizes the pass-through of those funds. The Airport Parking Tax was established in 1987 to provide financial assistance to Wayne County and the City of Romulus. Public Act 680 of 2002 revised the distribution. MCL 207.377a requires the deposit of the first \$6.0 million of revenue per year in the State Aeronautics Fund, \$1.5 million per year to the City of Romulus, and remaining funds to Wayne County. The State Aeronautics Fund can be used for airport security and safety projects, to provide State match for Federal airport security funds, and to reimburse the Comprehensive Transportation Fund for debt service on bonds issued through 2007. The distribution to Wayne County is required to be used for indigent health care. The funding must be appropriated.

Airport Parking Tax Distributions				
Fiscal Year	Total Distributions	Aeronautics Fund	City of Romulus	Wayne County
1998-99	\$14,676,840		\$1,059,825	\$13,617,014
1999-2000	16,774,530		1,248,667	15,525,863
2000-01	17,521,750		1,299,746	16,222,004
2001-02	14,117,938		1,086,745	13,031,194
2002-03	14,359,024	\$6,000,000	1,669,036	6,689,988
2003-04	14,727,758	6,000,000	1,500,000	7,227,758
2004-05	17,670,273	6,000,000	1,500,000	10,170,273
2005-06	20,196,145	6,000,000	1,500,000	12,696,145
2006-07	21,366,308	6,000,000	1,500,000	13,866,308
2007-08	22,775,662	6,000,000	1,500,000	15,275,662
2008-09	20,052,504	6,000,000	1,500,000	12,552,504
2009-10	19,590,612	6,000,000	1,500,000	12,090,612
2010-11	20,185,300	6,000,000	1,500,000	12,685,300
2011-12	20,584,767	6,000,000	1,500,000	13,084,767
2012-13	21,164,664	6,000,000	1,500,000	13,664,664

Source: Office of Revenue & Tax Analysis, Michigan Dept. of Treasury

910 **Bottle Deposit Fund.** Appropriates the disbursement from Bottle Deposit Fund to dealers.

Background: This section authorizes payment of revenue from the Bottle Deposit Fund to retailers that handle deposit returns. The Bottle Deposit Fund Consists of unclaimed beverage container deposits. Of the total unredeemed deposits, 75% goes to the Cleanup and Redevelopment Trust Fund in the Department of Environmental Quality and 25% is returned proportionately to dealers based on the number of empty containers handled. This section appropriates the payments to retailers as required by Initiated Law 1 of 1976 (MCL 445.571-445.576). The amounts shown below are the payments to retailers pursuant to this section.

FY 1999-00	\$5,402,630	FY 2006-07	\$4,052,140
FY 2000-01	\$6,047,740	FY 2007-08	\$2,192,206
FY 2001-02	\$4,549,691	FY 2008-09	\$3,129,127
FY 2002-03	\$5,393,489	FY 2009-10	\$4,444,922
FY 2003-04	\$3,017,317	FY 2010-11	\$4,087,650
FY 2004-05	\$2,766,455	FY 2011-12	\$4,389,462
FY 2005-06	\$3,160,077	FY 2012-13	\$5,238,510

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Section Number	Description and History
911	<p><u>Refundable Income Tax Credits.</u> Appropriates an amount sufficient to pay refundable income tax credits from income tax revenue.</p> <p>Background: This section authorizes a pass-through of funds and the State does not realize any of this revenue. The funding must be appropriated in an annual appropriation bill in order to be distributed.</p>
912	<p><u>Writ of Garnishment.</u> (a) Requires that a \$6.00 fee be paid at the time a writ of garnishment of periodic payments is served upon the State Treasurer. (b) The fee is reduced to \$5.00 if writs of garnishment for individual income tax refunds and credits are filed by magnetic media.</p> <p>Background: Part (a) is in statute, MCL 4012(3), "Except as otherwise provided by statute, a plaintiff shall pay a fee of \$6.00 at the time a writ to the garnishee of garnishment of periodic payments is served upon the garnishee." Part (b) is not in statute. It serves as an incentive for local governmental units to use magnetic media for filing.</p>
913(1)	<p><u>Senior Citizen Cooperative Housing Appraisals and Assessments.</u> Allows the Department to contract with a private firm to appraise and appeal assessments of senior citizen cooperative housing units. Authorizes the Department to pay for the service out of savings from the appeal process.</p> <p>Background: This section ties to the line item for Senior Citizen Cooperative Housing, a program where the State pays the property tax for qualified housing. This section provides authorization to appeal assessments and spend part of the program funds for that purpose.</p>
913(2)	<p><u>Senior Citizen Cooperative Housing Program Audit.</u> Requires a portion of the senior citizens cooperative housing tax exemption program to be used for a program audit. Authorizes up to 1% of program funds to be used for administration and auditing.</p> <p>Background: The section allows for an audit of the entire program, whereas the above section only addresses appeals of assessments. This is a function of the Internal Audit office. The FY 2011-12 budget modified this language from a required audit, to a permissive authority to audit, and required that if an audit is completed, the audit shall be provided to the Legislature.</p>
914	<p><u>Rosenthal Prize for Interns.</u> Provides for a \$200 annual prize from the Ehlers Internship Award Account to the runner-up of the Rosenthal prize for interns.</p> <p>Background: The Rosenthal prize of \$500 is awarded to a college intern who worked for the Legislature. The person must be nominated by a legislative office and enrolled in a Michigan college or university. The Ehlers Award is \$200 and given to the runner-up for the Rosenthal prize. A list of prior recipients is available from The Department of Treasury.</p>
915	<p><u>State Campaign Fund.</u> Provides for the appropriation and carry forward of designated amounts to the State Campaign Fund pursuant to the Michigan Campaign Finance Act. Any balance in excess of \$10,000,000 reverts to the General Fund on December 31 of each year.</p> <p>Background: The State Campaign Fund receives the revenue from the \$3 contribution check-off taxpayers may choose on their income tax forms. This section appropriates revenue pursuant to statute. In accordance with MCL 169.261, funds in excess of \$10.0 million revert to the General Fund at the end of the calendar year of a gubernatorial election.</p>
916	<p><u>Unclaimed Property Listings.</u> Provides for sale of customized unclaimed property listings of non-confidential information. Sets fees and deposits revenue. Provides for annual report due June 1.</p> <p>Background: This section provides authorization for the Department of Treasury to charge and collect a fee from companies who charge consumers a finder's fee for searching unclaimed property records.</p>
917	<p><u>Write-Offs and Advances.</u> Appropriates funds for write-offs and advances for departmental programs, not to exceed current year authorizations that would lapse to the General Fund. Requires an annual report that states the amounts appropriated for write-offs and advances.</p>

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Section Number	Description and History
	<p>Background: This section was first included in FY 2001-02 in response to a problem regarding Delinquent Property Tax Administration Fund. It was modeled after a section in the Family Independence Agency budget.</p>
918	<p><u>Tax Orientation Workshops.</u> Allows the Department to receive and expend funds for conducting tax orientation workshops and seminars, not to exceed the costs of conducting them.</p> <p>Background: This section was first included in FY 2002-03. The Revenue Division holds workshops for business regarding the calculation and filing of applicable taxes. This allows the Department to recover the expenses of materials, meeting rooms, and staff time.</p>
919	<p><u>Private Auditing and Collection of Unclaimed Property.</u> (1) Allows the Department to contract with private auditing firms to audit and collect unclaimed property on behalf of the State. Appropriates collection costs up to 12% of revenues collected. (2) Requires an annual report on November 30 on the amount and cost of collections.</p> <p>Background: This section was first included in FY 2002-03. The Department does contract with private firms for collection. The companies are not paid until they identify and remit unclaimed property.</p>
924	<p><u>Principal Residence Audit Fund.</u> Appropriates Principal Residence Audit Fund revenue for the administration of homestead property tax exemption audits pursuant to the General Property Tax Act. Requires a report by December 31 of the amount of exemptions denied and the revenue received.</p> <p>Background: This section was first included in FY 2003-04. Modified in FY 2005-06 from Homestead Property Tax Exemption Audit Fund to Principal Residence Audit Fund. Modified in FY 2010-11 to specify the reporting elements.</p>
926	<p><u>John R. Justice Grant Program.</u> Authorizes this Federal grant program appropriated in Part 1 as a work project for up to \$287,700 that is estimated to be completed by September 30, 2016.</p> <p>Background: Added in FY 2010-11 for a new Federal grant to provide student loan forgiveness to eligible public defenders and prosecutors. Modified in FY 2011-12, FY 2012-13, FY 2013-14 and FY 2014-15 to update the work project expiration date and amount.</p>
927	<p><u>Personal Property Tax Audit Reports.</u> Requires an annual report on personal property tax audits.</p> <p>Background: Moved to this section in FY 2010-11. Previously the report was in Section 947(1).</p>
928	<p><u>Services to State Departments and Agencies.</u> Allows the Department to provide cash processing, cash handling, warrant processing, writ of garnishment, or other user services on a contractual basis to State departments and State agencies. Appropriates funds for services provided to support costs incurred by the Department. Unobligated funds (e.g. garnishment fees) revert to the General Fund.</p> <p>Background: This refers to the Receipts processing line item in the Banking and Management Services unit. It authorizes a chargeback of the above services provided to other departments by the Department of Treasury. There are written contracts with some of the departments for these services, although some pay the bills without a contract agreement. To date, there has not been revenue remaining at the end of the fiscal year to revert to the General Fund.</p>
930	<p><u>Accounts Receivable Collection Services.</u> Requires the Department to provide accounts receivable collections services to other departments and State agencies. Provides for fee and requires annual report by November 30.</p>

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	<p>Background: This service is provided through a contract with GC Services. In FY 2011-12, about \$135.5 million was collected at a cost of \$10.7 million, approximately 7.9% of collections. This is a chargeback for services provided to other departments, including collection of Driver Responsibility fees for the Secretary of State.</p>
931	<p><u>Treasury Fees.</u> Provides for receipt and expenditure of investment fees for current and new restricted funds that receive common cash earnings or other investment income. Fees are to cover all costs of investing the funds. Investment fees assessed against restricted funds will be based on the absolute value of the average daily cash balance, the market value of investments in the prior fiscal year, and the level of effort necessary to maintain the restricted fund. Requires an annual report on November 30, identifying the fees assessed against each fund.</p> <p>Background: A list of the Treasury fees fund sources included in Part 1 was previously included in this section. In FY 2002-03, the section was amended to require the list in an annual report instead of including it in this appropriation bill. Modified FY 2005-06 to provide for receipt and expenditure of investment fees and assessing fees against restricted funds.</p>
932	<p><u>Michigan Education Trust Act.</u> Revenue received under the Michigan Education Trust Act may be used for salaries, supplies, contracted services, etc.</p> <p>Background: This use of funds is one of the authorized purposes under MCL 390.1429.</p>
934	<p><u>Michigan Finance Authority.</u> Authorizes the Department to expend revenue received for various bonding programs for necessary expenses of the programs. Requires a report by January 31 on expenditures made from funds received in addition to those appropriated in Part 1.</p> <p>Background: This section was new in FY 2010-11. It reflected Executive Order 2010-2 which combined most bonding programs under the Michigan Finance Authority Board and centralized administration in the Department of Treasury. It also moved funding for the program from boilerplate to a line item, leaving this receive and expend authority. The Michigan Finance Authority covers responsibilities under the Hospital Finance Authority Act, the Shared Credit Rating Act, the Higher Education Facilities Authority Act, the Michigan Public Educational Facilities Authority, the Michigan Tobacco Settlement Authority Act, Land Bank Fast Track Act, the Natural Resources and Environmental Protection Act, and the Michigan State Housing Development Authority Act. The FY 2011-12 budget changed the report date to January 31, 2012 for prior fiscal year activity.</p>
935	<p><u>Dual Enrollment.</u> Requires the distribution of appropriations for dual enrollment for eligible nonpublic school students pursuant to the statutory authority for the program.</p> <p>Background: This section was added in FY 2013-14 to link the appropriation in Part 1 with the Post-Secondary Enrollment Options Act, MCL 388.511 to 388.524, and the Career and Technical Preparation Act, MCL 388.1901 to 388.1913.</p>
944	<p><u>Pension Plan Consultant.</u> Requires that any report given to the department by a pension plan consultant be provided to the subcommittees on general government, the fiscal agencies and the state budget director.</p> <p>Background: First included FY 2008-09. Modified in FY 2010-11 to change the timing of the report to annually (instead of within 30 days).</p>
945	<p><u>Assessment Administration.</u> Provides that Treasury may conduct a review of local unit assessment administration practices, procedures, and records in at least one assessment jurisdiction per county.</p> <p>Background: First included FY 2005-06.</p>

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Section Number	Description and History
946	<p><u>Convention Facility Development Fund.</u> This new language requires collections into the fund to be distributed according to Sections 8 and 9 of the State Convention Facility Development Act, 1985 PA 106. Funds may be distributed for certain State purposes and to local government units for use to acquire, construct, improve, enlarge, renew, replace, or lease a convention facility and to repair, furnish, or equip a facility in conjunction with the aforementioned activities. Funds also may be used to refinance one of the above activities. If the local unit of government is a metropolitan authority, the funds may be used for any purpose authorized under the Regional Convention Facility Authority Act, 2008 PA 554.</p> <p>Background: First included FY 2014-15.</p>
947	<p><u>Financial Independence Team.</u> This new language creates a financial independence team to cooperate with the Office of Fiscal Responsibility to coordinate and streamline efforts in identifying and addressing fiscal emergencies in local and intermediate school districts.</p> <p>Background: First included FY 2014-15.</p>
949	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$26,860,700 and retiree health care legacy costs are estimated at \$21,775,800.</p> <p>Background: First included FY 2014-15.</p>
949a	<p><u>City of Flint Police and Fire Safety Grants.</u> This new language allocates \$1.1 million to provide a grant to the City of Flint to enhance the city's ability to provide better public safety in the areas of police and fire protection.</p> <p>Background: First included FY 2014-15.</p>

REVENUE SHARING

950	<p><u>Constitutional Revenue Sharing.</u> States that the appropriation in part 1 for constitutional revenue sharing payments is in accordance with Article IX, Section 10 of the Michigan Constitution and appropriates additional revenue in excess of the amount appropriated in part 1 for constitutional revenue sharing is appropriated to meet the constitutional obligation. Under the Constitution, 15% of sales tax revenue received at a tax rate of 4% is distributed on a per-capita basis to cities, villages, and townships.</p> <p>Background: Prior to FY 2011-12, this section included direction for statutory revenue sharing, which in recent years has been adjusted annually in boilerplate. The statutory revenue sharing boilerplate was removed in FY 2011-12 due to the elimination of statutory revenue sharing for cities, villages, and townships.</p>
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Section Number	Description and History
952	<p><u>Revenue Sharing Incentive Program Requirements.</u> This section sets the maximum payment amounts and the incentive requirements for payments from the renamed City, Village, and Township Revenue Sharing program or the County Incentive Program. Funds not claimed under these programs carry forward in a work project for use for Financially Distressed Cities, Villages, or Townships.</p> <p><u>For CVTs:</u> It sets the maximum payment to an eligible city, village or township (one that received at least \$4,500 in statutory revenue sharing in FY 2009-10 or has a population of more than 7,500) at 78.51044% of the statutory revenue payment received in FY 2009-10 or a payment of \$2.64659 per capita, whichever is larger.</p> <p><u>For Counties:</u> The maximum payment is the amount by which a county's revenue sharing reserve fund is less than the amount of its revenue sharing payment in FY 2003-04, adjusted for inflation only for those years for which the county made withdrawals from its revenue sharing reserve fund. An eligible county receives 20% of its total payment through the County Incentive Program based on meeting the requirements and the remainder through the line item for County Revenue Sharing.</p> <p><u>Incentive Requirements:</u> The grants are available to eligible CVTs and counties that satisfy accountability and transparency requirements:</p> <p><u>Accountability and Transparency.</u> Requires each eligible CVT or county to certify by December 1 or the first day of a payment month for this category that it has completed a citizen's guide to local finances. This guide must include:</p> <ul style="list-style-type: none">• a listing of unfunded liabilities• a performance dashboard• a debt service report that details debt service requirements including:<ul style="list-style-type: none">○ issuance date and amount○ type of debt instrument○ list of revenues pledged for repayment○ list of annual payment amounts• a projected budget report including revenues and expenditures for the current and next fiscal year and an explanation of assumptions. <p>These must be publicly available in the municipal office or on the Internet. Copies must be submitted to Treasury.</p> <p><u>Payment Dates:</u> Payments are made on the last business day of October, December, February, April, June, and August. The October payment is made to all eligible local units. The remaining payments are only made to local units that have submitted the certification of compliance to the Department of Treasury by the first day of the payment month.</p>

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Section Number	Description and History
	<p>Background: The Economic Vitality Incentive Program (EVIP) program was added in FY 2011-12 to replace statutory revenue sharing for cities, villages, and townships with a program to encourage accountability and transparency, consolidation of services, and plans for limiting some types of employee compensation (replaced in FY 2013-14 only with a plan to reduce unfunded accrued liabilities). The EVIP was renamed to City, Village, and Township Revenue Sharing in FY 2014-15 and the requirements were simplified.</p> <p>The incentive program was expanded to eligible counties in FY 2012-13. The share of revenue sharing payments to counties distributed according to the incentive program is determined by the appropriations for the incentive program and the county revenue sharing program. Each year 20% of the total State revenue sharing payments to counties has been distributed through the County Incentive Program.</p> <p>In FY 2011-12:</p> <ul style="list-style-type: none"> • The section allocated \$5.0 million from the EVIP appropriation to the Competitive Grant Assistance Program for competitive grants to encourage mergers, interlocal agreements, and consolidation of services. The Competitive Grant Assistance Program was moved to Sec. 951 for FY 2012-13 and FY 2013-14, and eliminated in FY 2014-15. • Sec. 1201 made one-time appropriations for EVIP in FY 2011-12. • The maximum payment to CVTs was 67.837363% of the FY 2009-10 statutory revenue sharing payment. • Mid-year revisions amended the incentive program requirements and deadlines. <p>In FY 2012-13:</p> <ul style="list-style-type: none"> • Counties were added to the incentive program. • The maximum payment to CVTs was increased to 72.68289% of the FY 2009-10 statutory revenue sharing payment. <p>In FY 2013-14:</p> <ul style="list-style-type: none"> • Replaced the Employment Compensation category with the Unfunded Liabilities category. • Increased the maximum payment to CVTs to 76.18459% of the FY 2009-10 statutory revenue sharing amount. • Expanded the debt service reporting requirements of Category 1. • Added innovation and privatization projects as eligible projects under consolidation of services. • Mid-year revisions extended a certification date from October 1 to December 1 and revised the requirements for the unfunded accrued liability plan. <p>In FY 2014-15:</p> <ul style="list-style-type: none"> • Renamed the CVT program to City, Village, and Township Revenue Sharing. • Expanded eligibility to CVTs with a revenue sharing population of more than 7,500 and/or a FY 2009-10 statutory revenue sharing payment of at least \$4,500. • Modified the payment calculation for eligible CVTs to the larger of 78.51044% of the FY 2009-10 payment (a 3.1% increase) or \$2.64659 per capita. • Reduced incentive requirements for CVTs and counties to accountability and transparency only. Eliminated the requirements for consolidation of services and unfunded accrued liabilities.

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955	<p><u>County Revenue Sharing.</u> Appropriates to each county an amount equal to the amount distributed to each county in FY 2003-04 pursuant to the Glenn Steil State Revenue Sharing Act, adjusted by inflation (for the years the county was making withdrawals from the restricted reserve fund) and reduced by the amount each county is authorized to annually withdraw from its restricted reserve fund. The total amount of State payments is prorated to the amount appropriated. Requires the Department of Treasury to certify annually the amount that each county is authorized to withdraw from its reserve fund.</p> <p>Background: This section was first included in FY 2004-05. At that time, counties were required to accelerate property tax collections and use the proceeds to create a revenue sharing reserve fund. Counties make withdrawals from their reserve funds to replace State revenue sharing payments. When the reserve fund is exhausted, a county returns to State-paid revenue sharing. The timing of a county's return to State-paid revenue sharing varies considerably depending on a county's relative reliance on local property taxes and the importance of revenue sharing payments in the county budget. Withdrawal amounts from the reserve fund are established annually by Treasury. During the period where a county makes reserve fund withdrawals, withdrawal amounts increase by inflation. For counties back in State-paid revenue sharing, there are no inflationary increases. In FY 2011-12, 50 counties were in the State-paid county revenue sharing program. An additional 12 counties returned to revenue sharing in FY 2012-13 and one in FY 2013-14. Another 11 counties are projected to re-enter State-paid revenue sharing in FY 2014-15, making 74 of 83 counties eligible for State payments.</p>
956	<p><u>Financially Distressed Cities, Village, or Townships.</u> Directs Treasury to make grants of up to \$2.0 million to cities, villages, or townships that have signs of probable financial distress as determined by the Department of Treasury. No city, village, or township can receive more than \$2.0 million under the program. The funds are for projects that move the local government toward financial stability, including but not limited to: reductions in general fund debt, reduction in unfunded accrued liabilities, repair of critical infrastructure owned and maintained by the local government, or costs associated with a transition to shared services. The Department is required to report by March 15 on approved awards and projects. Unused funds would remain in a work project through September 30, 2019. Sec. 952 allocates unused funds from the City, Village, and Township Revenue Sharing Program and the County Incentive Program to the line item for Financially Distressed Cities, Villages, or Townships upon approval of a legislative transfer.</p> <p>Background: Added in FY 2014-15.</p>
958	<p><u>Statewide Online Financial Accountability Reporting System.</u> Directs Treasury to work with the Department of Technology, Management, and Budget to issue an RFP pursuant to Sec. 840 for a statewide online financial accountability reporting system. The system would be required to be accessible to the general public and display local government data submitted to the State as part of the audit process. The system also would include reports of indicators of fiscal distress and detailed financial and budget data that can be compared between local units of government. It would be required to have the capability to generate the citizens' guide to local finances required for local governments to qualify for the City, Village, and Township Revenue Sharing Program and the County Incentive Program under Sec. 952. The Department would be required to report on the status of the RFP by March 15, 2015.</p> <p>Background: Added in FY 2014-15.</p>

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Section Number	Description and History
LOTTERY	
960	<p><u>Lottery Operations Additional Appropriations.</u> Appropriates Lottery revenue to implement and operate lottery games under the McCauley-Traxler-Law-Bowman-McNeely Lottery Act, 1972, PA 239, MCL 432.1 to 432.47 and the Traxler-McCauley-Law-Bowman Bingo Act, 1972 PA 382, MCL 432.101 to 432.120. Lottery costs include contractually mandated vendor commissions, payments for instant tickets for resale, costs of providing on-line communications network and incentive, and bonus payments to lottery retailers.</p> <p>Background: This section provides the authority for expenditures related to sales volume. The Bureau of Lottery maintains individual accounts for each purpose listed in the section. In FY 2012-13 statutory references were added.</p>
963	<p><u>Department of Human Services Bridge Cards.</u> Requires the Bureau of State Lottery to inform retailers that the cash side of DHS bridge cards cannot be used to purchase lottery tickets.</p> <p>Background: First included in FY 2004-05.</p>
CASINO GAMING	
971	<p><u>Compulsive Gaming Prevention Fund.</u> Provides that \$2,000,000 of revenue collected from total annual assessments of each casino licensee, shall be deposited in the Compulsive Gaming Prevention Fund.</p> <p>Background: This section is pursuant to the Michigan Gaming Control and Revenue Act, MCL 432.212a, which requires an appropriation to deposit \$2 million into the Compulsive Gaming Prevention Fund. This Fund is used for programs combating gambling addiction. The Fund is administered and spent by the Department of Community Health.</p>
973	<p><u>Native American Gaming Compacts.</u> (1) Allows funds from the Local Government Programs section to be used to assist local revenue sharing boards. (2) Requires local revenue sharing boards to comply with the Open Meetings Act and the Freedom of Information Act. (3) Authorizes county treasurers to receive and administer funds on behalf of the local revenue sharing board. Funds appropriated in part 1 for local government programs may be used for audits of local revenue sharing board funds. Local units are not limited by this language in entering into agreements with federally recognized tribes for financial assistance or shared services. (4) Requires a local revenue sharing board to comply with an agreement under the Indian Gaming Regulatory Act (IGRA), Public Law 100-497, including the disbursement of tribal casino payments pursuant to a gaming compact. (5) The directors of State Police and Michigan Gaming Control Board (MGCB) may assist local revenue sharing boards in determining allocations to local public safety organization. (6) Requires the Michigan Gaming Control Board to report by September 30 on receipts and distribution of revenue.</p> <p>Background: This section was first included in FY 2000-01. It only applies to Indian gaming compacts with local revenue sharing boards. The language responded to local concerns over the way the 2% revenue from the casinos to local units was being allocated. The three board members are all local government officials and not from the tribe. The language is intended to clarify the spending authority of the boards. Modified in FY 2005-06 to include the state budget director on the list of report recipients. Revised in FY 2011-12 to add (4), required compliance with an agreement under IGRA, including payments pursuant to a contract. Modified in FY 2014-15 to change reporting requirement from the Department of Treasury to the Michigan Gaming Control Board.</p>

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974	<p><u>State Services Fee Fund Shortfall.</u> In the case of a shortfall in the state services fee fund (revenue insufficient to support appropriations from the fund), available revenues are to fund casino gaming regulation before any distribution is made to other agencies. The amount of shortfall shall be distributed proportionally among other agencies.</p> <p>Background: This section was first included in FY 2002-03. This section prioritizes the needs of the MGCB above those of other departments or agencies for distributions from the State Services Fee Fund. Any shortfall would be divided among the other departments and not incurred by the MGCB. It is unclear what impact this section would have on appropriations from the State Services Fee Fund in the Department of Agriculture budget, which is included in a separate appropriation bill. Appropriations from the State Service Fee Fund are authorized by the Michigan Gaming Control and Revenue Act, MCL 432.212a.</p>
976	<p><u>Horse Racing Rewards.</u> Allows the Director of the Michigan Gaming Control Board to pay rewards of up to \$5,000 out of the Office of Racing Commission line item for information that results in a criminal conviction for a crime that involves the horse racing industry.</p> <p>Background: Transferred to the budget in FY 2010-11 from Department of Agriculture due to Executive Order 45/54. Revised in FY 2011-12, to update references to the programs as it exists in Treasury after implementation of the executive order. In addition the reward amount was reduced from \$5,800 to \$5,000.</p>
977	<p><u>Horse Racing Proration.</u> Requires all appropriations from the Equine Industry Development Fund except Racing Commission and Laboratory Analysis to be prorated proportionately in the case of a revenue shortfall.</p> <p>Background: New in FY 2010-11.</p>
978	<p><u>Determination of Horse Racing Regulatory Costs.</u> Requires the calculation of the regulatory costs of racing. Limits reimbursement to the MGCB to the actual regulatory cost. Provides for consultation between the MGCB and certified horsemen's organizations in the case of a revenue shortfall. Allows race dates to be reduced in the case of a shortfall.</p> <p>Background: This language was included in 2010 PA 66, and then added to the budget for FY 2010-11. In FY 2009-10, a contingency fund transfer was used to appropriate a contribution from a horseman's organization to cover regulatory costs needed to continue scheduled race dates.</p>
979	<p><u>Millionaire Party Oversight.</u> Authorizes spending by Gaming on licensing and regulation of millionaire parties (part of charitable gaming activities). Caps spending at \$4.0 million. Requires a report to the Legislature by April 15 on regulatory spending, enforcement actions, and steps to ensure that charities receive the revenue due to them.</p> <p>Background. This section was added in FY 2012-13. Regulation of millionaire parties was transferred from the Bureau of State Lottery to the Gaming Control board by EO 2012-4.</p>
MICHIGAN STRATEGIC FUND - HOUSING AND COMMUNITY DEVELOPMENT	
980	<p><u>Michigan State Housing Development Authority (MSHDA) Housing Production Goals.</u> Requires the Department to report on the status of the housing production goals under all financing programs administered by the Authority.</p> <p>Background: This section moved into the Treasury budget in FY 2010-11 due to the transfer of MSHDA from the Department of Energy, Labor, and Economic Growth (DELEG) pursuant to Executive Order 2010-2. It had been a longstanding boilerplate section in the DELEG budget.</p>
981	<p><u>Broadband Development Authority.</u> Requires MSHDA to submit a report on the status of loans made by the Broadband Development Authority.</p>

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	<p>Background: Beginning in FY 2005-06, the Broadband Authority was required to report on its administrative costs. The Authority was disbanded in FY 2006-07. The current language was added to the DELEG budget in FY 2007-08 to follow the status of loans made under the former program. The language was moved to Treasury in FY 2010-11 due to Executive Order 2010-2.</p>
984	<p><u>State Historic Preservation Program - Receive and Expend.</u> Permits the State Historic Preservation Program to use any revenue received for document reproduction, services, and application fees to defray the costs of providing the services. The revenue carries forward.</p> <p>Background: The section was formerly part of the budget for the Department of History, Arts, and Libraries, then transferred to MSHDA in the DELEG budget in FY 2009-10, and moved to the Treasury budget for FY 2010-11.</p>
985	<p><u>Land Bank Fast Track.</u> Provides that the Authority may receive and expend revenue above the amount appropriated that is generated through the authorized activities under the Land Bank Fast Track Act, 2003 PA 258. These purposes include acquisition, lease, management, demolition, maintenance, property rehabilitation, debt service owed by the authority, and expenses to clear titles of property owned by the authority.</p> <p>Background: FY 2004-05 was the first year of this language in DELEG. It was transferred to Treasury in FY 2010-11 due to Executive Order 2010-2. Moved from Sec. 983 in FY 2013-14. Moved from Sec. 1038 in FY 2014-15.</p>
986	<p><u>Land Bank Fast Track Authority Report.</u> Language states that as a condition of receiving funds, the Authority shall provide a report to the Legislature that includes a detailed listing of revenue generating activities that would mitigate or eliminate the need for State GF/GP funding; a listing of identified barriers to implementation of revenue generating activities; and a timeline for implementing the revenue generating activities.</p> <p>Background: First included in FY 2014-15.</p>
990	<p><u>Housing Rehabilitation Task Force.</u> Requires MSHDA to work with the Departments of Community Health and Human Services to appoint members to a joint task force to review housing rehabilitation, energy and weatherization, and hazard abatement program policies. The task force shall provide a report of its findings to the Legislature by March 1, 2015.</p> <p>Background: First included in FY 2014-15.</p>
MICHIGAN STRATEGIC FUND (MSF)	
1001	<p><u>Contingency Fund Language.</u> Provides a boilerplate appropriation for limited amounts of additional Federal, State Restricted, or private funds if they become available during the fiscal year. This section is spending authority only. Any funding only becomes available after a legislative transfer has been approved by both Appropriations Committees, consistent with the Management and Budget Act, PA 431 of 1984. The limits are up to \$20.0 million Federal, \$2.0 million State Restricted, \$2.0 million Private, and \$100,000 Local.</p> <p>Background: This had been standard language in most appropriation acts until FY 2000-01. It was reinstated in FY 2008-09. Limits were increased in FY 2012-13 and authority for local revenue was added.</p>
1005	<p><u>Travel Michigan Revenue from Slogans and Merchandising.</u> Language allows the MSF to receive and expend any private revenue related to the use of "Pure Michigan" and other copyrighted slogans. These funds are appropriated for the purpose of marketing Michigan. Requires a report of revenue and spending by June 1.</p> <p>Background: Longstanding boilerplate item. Updated in FY 2011-12 to remove prior slogans. The reporting requirement was added in FY 2013-14.</p>

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Section Number	Description and History
1007	<p><u>MEDC and MSF Activity Report.</u> This language requires the Agency to provide a report by February 15 on the activities of the Michigan Economic Development Corporation financed from investment or Indian gaming revenues, listing all grants, loans, and investments made from the fund, all fund sources, and the number of FTEs by program. It also requires detailed information on promotion spending by Travel Michigan, and business attraction activities and all programs of the Michigan Strategic Fund. Also requires a performance metrics report for the Michigan Business Development Program, the Community Revitalization Program, and film incentives by February 15.</p> <p>Background: This language was added in FY 1999-2000 following the creation of this quasi-State Agency. As this Agency is structured differently than any other in State government, this section was included to ensure that sufficient information regarding expenditures was made available to the Legislature. It was revised in FY 2011-12 to delete a reference to a discontinued program. In FY 2012-13 the report date was changed, reporting of investments was added, and report elements were updated for new programs. In FY 2013-14, the elements of the former Sec. 1006 grant report were added to this section. A requirement to report activities from any fund source also was added in FY 2013-14. The performance metrics report requirement was added in FY 2014-15.</p>
1008	<p><u>Interlocal Agreements.</u> This language requires the Agency to include in each interlocal agreement language that requires the Agency to work with private economic development agencies if the local unit of government is working with a private agency.</p> <p>Background: This language was added in FY 1999-2000 following the creation of the Agency.</p>
1009	<p><u>Purchase of Land.</u> This language places restrictions on the Agency regarding the purchase of land or the purchase of options on land. Requires that these purchases be made in economically distressed areas or the land is purchased at the invitation of the local unit of government and local economic development agency.</p> <p>Background: This language was added in FY 1999-2000 following the creation of this Agency. The ability to purchase land or land options was one reason provided to the Legislature for the need to create this Agency as a quasi-State Agency.</p>
1010	<p><u>Jobs for Michigan Investment Report.</u> Requires a report on the Jobs for Michigan Investment Fund. Report by February 15. The report shall include a detailed listing of all revenue, expenditures, and fund balance at the end of the fiscal year.</p> <p>Background: First included FY 2014-15.</p>
1011	<p><u>Lapse Requirements.</u> Requires that any unexpended funding appropriated to the Agency and transferred to the MEDC shall be subject to the Management and Budget Act unless carry-forward authorization has been provided.</p> <p>Background: This language was added in FY 2000-01. It ensures that unused funds are lapsed back to the General Fund and not carried forward. It was modified in FY 2013-14 to apply the language to all fund sources.</p>
1012	<p><u>Compliance with Other Acts.</u> Requires the MEDC and the Strategic Fund be subject to the Freedom of Information Act, the Open Meetings Act, Annual Audits of the Auditor General, and Legislative reporting requirements.</p> <p>Background: This language was added in FY 2000-01.</p>
1013	<p><u>Private Fund Raising.</u> Prohibits those staff who are involved in private fund raising from being party to any decisions regarding the awarding of grants, incentives, or tax abatements from the Fund, the MEDC, or the Michigan Economic Growth Authority.</p> <p>Background: This language was added in FY 1999-2000. It was modified in FY 2013-14 to apply to employees involved in awarding incentives.</p>

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Section Number	Description and History
1014	<p><u>Core Communities Language.</u> This language describes the distribution of the Core Communities Fund Grant process. These grants were awarded to local communities for an urban infrastructure revitalization program. Eligible local communities are those defined in the Obsolete Property Rehabilitation Act, or those with Certified Technology Parks. It requires a report by February 15.</p> <p>Background: This language was added in an FY 1999-2000 supplemental bill to govern expenditure of one-time funding of \$50.0 million for this program. The awards have all been made and were primarily in the form of a grant. The balance of this Fund was lapsed back to the General Fund at the close of FY 2001-02. Occasionally a small award is made from this fund from monies returned from previous projects.</p>
1020	<p><u>Federal Pass-Through Funds.</u> Allows for the appropriation of additional Federal pass-through funds to local institutions and governments that do not require an additional State match. Also allows these funds to be carried forward and requires the Agency to report on the amount and source of these funds within 10 days of receiving the funds.</p> <p>Background: FY 2007-08 is the first year for this language.</p>
1024	<p><u>Business Attraction and Community Revitalization.</u> Directs the Michigan Strategic Fund board to grant at least \$20.0 million from the \$130.0 million appropriated in FY 2014-15 for this program in Part 1 and in one-time appropriations for brownfield incentives and historic preservation incentives under the Community Revitalization program.</p> <p>Background: This section was added in FY 2011-12 to direct the allocation of this program which replaces Michigan Economic Growth Authority (MEGA), brownfield, and historic preservation tax credits. It was updated in FY 2013-14 to refer to the Community Revitalization program.</p>
1031	<p><u>Spending Plan Report.</u> Requires the Michigan Strategic Fund to report by April 15 on the spending plans for the line items for Entrepreneurship Eco-systems and Business Attraction and Community Revitalization. The report is due by April 15. If the spending plan is modified after that date, report recipients must be notified within 10 business days.</p> <p>Background: Section added in FY 2011-12 to obtain information on the planned operation of these new programs. Modified for FY 2012-13 to add the subsequent reporting on plan changes after April 15.</p>
1032	<p><u>Michigan Film Office Report.</u> Requires an extensive report on the status of film incentives by March 1. The report is required to be filed by the Michigan Film Office in conjunction with the MSF and the Department of Treasury. Report requirements include Michigan Business Tax credits, Michigan Economic Growth Authority (MEGA) Act credits, loans, expenditures, and job creation.</p> <p>Background: The report was added in FY 2008-09 and expanded in FY 2009-10. It was modified for FY 2012-13 to include report elements for appropriated film incentives.</p>
1033	<p><u>Film Incentive Reporting.</u> Requires a quarterly report on the status of film incentives approved under MCL 125.2029h. The report must include direct and indirect economic impacts, job creation, and private investment attributable to the assistance and the name of each eligible production company and the amount disbursed for each state certified qualified production.</p> <p>Background: First included FY 2012-13.</p>
1033b	<p><u>Language on Film Incentives.</u> Requires that for GF/GP funds appropriated for the film incentive program, the applicable percentage of the state certified qualified production expenditures in MCL 125.2029h shall be determined based on the date of the agreement.</p>

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Section Number	Description and History
1034	<p>Background: New in FY 2012-13 as a statement of legislative intent. FY 2013-14 language was no longer intent only.</p> <p>Business Incubators. Requires that each entity that received funding in FY 2012-13 maintain its dashboard of indicators and reporting requirements. Requires reporting of a dashboard of indicators by March 1, and transmission of those reports to the legislature by March 15. States intent language that any additional funding will be based on the performance of the program and the results reported in the dashboard indicators.</p> <p>Background: In FY 2008-09 this was a line item for \$1,250,000 funded from Jobs for Michigan Investment Fund – Returns to Fund, the permanent fund that receives repayments and earnings from 21st Century loans and investments. Awards were for incubators in the following counties: Berrien, Genesee, Macomb, Washtenaw, and Wayne. In FY 2009-10, the line was funded again from Jobs for Michigan Investment Fund – Returns to Fund. Funding for Isabella and Oakland counties was vetoed, however, leaving an appropriation of \$900,000 for incubators in Houghton, Ingham, Kalamazoo, Kent, Muskegon, and Washtenaw Counties, and the City of Detroit. Funding was not awarded, however, due to a re-interpretation of the statute creating the Investment Fund – Returns to Fund. The new interpretation limited the amount of the Returns to Fund that could be appropriated by the Legislature to the common cash earnings. As a result, only 1 incubator was funded in FY 2009-10 at an amount of about \$60,000. In FY 2010-11 the fund source was changed to 21st Century Jobs Trust Fund, the eligible local governments were changed from Ingham County to City of Lansing, and the previously vetoed incubators in Isabella and Oakland Counties were reinstated.</p> <p>The program was revised again in FY 2011-12. Lansing, Kalamazoo County, and Muskegon County were no longer funded. The Isabella funding was restricted to a satellite site in Midland County.</p> <p>In FY 2012-13 the funding amounts were changed and Mason County, Ingham County, and an auto technology accelerator (Automation Alley) were added as recipients. The boilerplate in FY 2012-13 required awards to incubators or accelerators in the following areas: Detroit; Houghton, Isabella, Kent, Macomb, Oakland, Washtenaw, and Midland Counties; A Mason county incubator that provides services to Lake, Mason, Manistee, and Oceana Counties; and an accelerator that provides services in at least eight counties (Automation Alley).</p> <p>FY 2013-14 language did not make any new awards but continued reporting requirements for existing recipients.</p>
1035	<p>Arts and Cultural Grants. Directs the Michigan Council for Arts and Cultural Affairs to operate an arts and cultural grant program. Requires the program to maintain equitable geographic distribution of funds and use past arts grants programs as a guideline. Application materials must be available by October 1. Application fees may be charged and used to cover the administrative expenses. A report of the grant awards is to be made to the legislative offices within one day of grants being awarded. Prohibits the use of any funding from the grant line for administration.</p> <p>Background: This language was added to the MSF budget when the Arts and Cultural Grant program transferred to MSF in FY 2009-10 when the Department of History, Arts, and Libraries was abolished. The language was simplified and shortened, reflecting the reduced resources available for this program. In FY 2013-14, the authority to use up to \$100,000 from the grant line was deleted and replaced with a prohibition on using any grant funds for MSF administrative costs. This reflected additional GF/GP funding added to the Job Creation Services line and 2.0 additional FTE positions for arts grant administration.</p>

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Section Number	Description and History
1036	<p><u>Transfer of Appropriations to Other Funds.</u> Directs that GF/GP appropriations in part 1 for business attraction and community revitalization shall be transferred to the 21st Century Jobs Trust Fund (CJTF) per MCL 125.2090b. Directs that Film Incentive appropriations shall be transferred to the Michigan Film Promotion Fund established in MCL 125.2029d. States that the Film Promotion Fund and the 21st Century Jobs Trust Fund are appropriated and available for allocation as authorized by the MSF Act, MCL 125.2001 to 125.2094.</p> <p>Background: New in the MSF budget for FY 2013-14. This section implements the transfer of certain GF/GP appropriations to restricted funds per statute. The language also authorizes spending from the restricted funds without additional appropriation. These transfers apply to GF/GP appropriations for business attraction and community revitalization which are transferred to the 21st Century Jobs Trust Fund (and thus become subject to the requirements of the 21st Century Jobs Trust Fund) and GF/GP appropriations for film incentives which are transferred to the Film Promotion Fund.</p>
1037	<p><u>Facility for Rare Isotope Beams (FRIB).</u> Prohibits issuance of bonds by MSF or spending from part 1 for FRIB debt service until Michigan State University certifies to the State Budget Director and the MSF that all approvals are in place and the Federal funds are available to begin construction. Limits use of bond proceeds to reimbursement of MSU's costs for FRIB construction up to \$90,961,100. States that additional costs accrue to MSU and that the MSF will not pay any operational costs. Requires an agreement that provides for the terms of reimbursements, allowable costs, reporting and other necessary provisions. Places authority with the State Budget Director to maintain the public interest relative to state-financed construction projects. Authorizes the State Budget Director to protect the public financial and policy interest, by rescinding payment if MSU and the US Department of Energy do not provide funds to complete the project. Requires notification of the Legislature within 10 days of exercising that authority. Allows DTMB to assist MSF with implementing the FRIB program.</p> <p>Background: New in the MSF budget for FY 2013-14. This section provides a structure for the authorization and issuance by MSF of a limited amount of revenue bonds to support construction of FRIB. If the conditions required by the boilerplate are met, then MSF can issue revenue bonds to pay the remaining community share for FRIB. The section provides for oversight by the MSF and the State Budget Director. The State will pay the debt service on the FRIB bonds. The debt service is appropriated in the Department of Treasury budget within the appropriation unit for Grants. The appropriation for FRIB debt service is \$7.3 million GF/GP in FY 2014-15.</p>
1039	<p><u>Skilled Trades Training Program.</u> Requires the MSF to report by February 15 on the status of the Skilled Trades Training Program funded in part 1. The report must include:</p> <ul style="list-style-type: none"> • The number of awardees. • The names of awardees by industry group. • The funding received by each awardee. • The training model used by each awardee. • The number of individuals enrolled by awardee. • The number of individuals that completed the program and were hired by awardee. • The number of applications received and approved for each region. <p>Background: New in the MSF budget for FY 2013-14. This section was added to obtain information on the Skilled Trades Training Program which was created in FY 2013-14 to provide custom training for businesses. The awardees for this program are companies that need training for workers. The program was funded with \$10.0 million in one-time GF/GP revenue in FY 2013-14. The one-time funding from FY 2013-14 was converted to ongoing funding for FY 2014-15.</p>

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Section Number	Description and History
1039b	<p><u>Skilled Trades Training Program Administration.</u> New language stipulates how the Fund shall administer the program including: working cooperatively with grantees to maximize the funds available for training; working cooperatively with Michigan Works! Agencies to prioritize and streamline expenditures; ensuring that grants are distributed for individual skill enhancement; developing program goals and detailed guidance for prospective participants to follow to qualify under the program; and that the fund may receive and expend revenues related to the skilled trades training program. Additionally, the Fund shall develop program goals and detailed guidance for prospective participants to follow to qualify under the program and post that information on the Fund's website and distribute to local Michigan Works! Agencies by October 1.</p> <p>Background: First included FY 2014-15.</p>
1040	<p><u>Required Use of State Accounting System.</u> Requires the MSF to use the statewide accounting system (the Michigan Administrative Information Network (MAIN) or a successor MDTMB-administered administrative information system) as an appropriation and spending reporting system. All financial transactions with vendors, contractual partners, grantees, and recipients of incentives and other economic assistance must be tracked on the State accounting system. It requires that encumbrances and expenditures should be tracked in a timely manner.</p> <p>Background: This section was added in FY 2013-14 following discussions regarding a proposal to move some incentive appropriations to the MSF upon appropriation and then account for spending from those programs with a separate accounting system operated by the MSF, instead of on the State accounting system</p>
1041	<p><u>Limit on Transfer of State Funds to the MSF.</u> Limits the transfer of appropriations for business attraction and community revitalization by the State Treasurer to the MSF to not more than 60% of the appropriated funds prior to April 1.</p> <p>Background: New in FY 2013-14. The total appropriations for business attraction and revitalization are \$130.0 million in FY 2014-15. This section limits the amount that can be moved from the Treasury to MSF to \$78.0 million prior to April 1, 2015.</p>
1042	<p><u>Business Attraction Report.</u> Requires a quarterly report from the Fund listing the amount of funds considered appropriated, pre-encumbered, encumbered, and expended. The report also shall include a listing of funds that have lapsed back to the fund from any prior-year appropriations.</p> <p>Background: First included FY 2014-15.</p>
1043	<p><u>West Michigan Film Office.</u> New language requires not less than \$250,000 of the funding for film incentives be granted to the west Michigan film office.</p> <p>Background: First included FY 2014-15.</p>
1044	<p><u>Michigan Heritage Restoration Program.</u> Language requires the Fund to establish a competitive grant program to fund restoration and preservation projects in historically designated neighborhoods. Also designates \$600,000 for neighborhood organizations registered as a 501 (c) (3) organization that provides preservation and restoration services to projects within historically designated neighborhoods and limits grants to no more than \$250,000 for any project. The fund shall develop detailed guidance for applicants to follow to qualify for a grant and post those guidelines on the Fund's website by October 1.</p> <p>Background: First included FY 2014-15.</p>
1045	<p><u>Legacy Costs.</u> This language lists the authorized amount of the appropriations in Part 1 that may be used for legacy costs as well as an estimate of the amount of pension-related legacy costs. For FY 2014-15 pension-related legacy costs are estimated at \$10,508,300 and retiree health care legacy costs are estimated at \$8,293,000.</p> <p>Background: First included FY 2014-15.</p>

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Section Number	Description and History
1049	<p><u>Michigan Law Enforcement Officers Memorial Monument Fund.</u> New language is added stating that for every \$1 raised, the Fund shall distribute \$2 as matching funds, up to a maximum of \$2.0 million, to the Michigan Law Enforcement Officers Memorial Monument Fund.</p> <p>Background: First included FY 2014-15.</p>
MICHIGAN STRATEGIC FUND – CAREER EDUCATION	
1050	<p><u>Higher Education Reports:</u></p> <ol style="list-style-type: none"> Community Colleges Databook. Requires the MSF to publish the activities classification structure data book for Michigan community colleges no later than March 1. Report on North American Indian Tuition Waivers. Requires the MSF to report by March 1 on North American Indian tuition waivers granted pursuant to MCL 390.1251 to 390.1253. Report on Degrees and Certificates Awarded. Requires a report by March 1 on the number of and types of associate degrees and certificates awarded by community colleges during the prior fiscal year. Report Availability. Requires the reports to be published on the Internet. <p>Background: These reports transferred from the DLARA budget to MSF in FY 2011-12 with the transfer of the post-secondary education unit by Executive Order 2011-4.</p>
1053	<p><u>Community College Skilled Trades Equipment Program.</u> This language lists the requirements for this proposed program: MSF board approval of RFPs and program guidelines; the MSF board to award of up to \$50.0 million of bond proceeds for equipment and related investments at community colleges for training students in skilled, high-wage, in demand occupations; coordination with business and regional talent needs; at least 25.0% community college match in excess of donated equipment; business partnerships; reports; and State Budget Director oversight. Language also states that a plan that demonstrates collaboration between postsecondary and school districts or ISDs in the prosperity region in meeting demonstrated employer demand shall receive extra consideration in the competitive process.</p> <p>Background: First included FY 2014-15.</p>
1054	<p><u>Youth Entrepreneurship and Work Readiness.</u> Permits the MSF to allocate grants from the appropriations for workforce program subgrantees to non-profit organizations to provide entrepreneurship, work-readiness skills, job shadowing, and financial literacy training to WIA eligible youth. Programs eligible for this funding must demonstrate capacity to conduct the training in urban areas and have participation of local business partners. The programs must comply with applicable federal requirements.</p> <p>Background: New in the MSF budget for FY 2011-12. This section was transferred from the DLARA budget due to Executive Order 2011-4.</p>
1057	<p><u>Aerospace Supplier Program.</u> Language allows the allocation of funds for the Aerospace Supplier Program to assist aerospace suppliers. Funds allocated by the Fund Board shall be used to support the following business development services:</p> <ul style="list-style-type: none"> • Develop robust supplier-OEM networks using an innovative aggregate demand model • Facilitate the adoption of digital manufacturing, modeling, simulation, and analysis • Advance aerospace workforce development • Host funding and investment strategy meetings for aerospace suppliers • Mentor disadvantaged suppliers • Provide internship programs to retain Michigan trained engineers for Michigan aerospace companies

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Section Number	Description and History
1058	<p>Background: First included FY 2014-15.</p> <p><u>Low-Income Transportation Workgroup.</u> Language requires the Fund to work in conjunction with the Departments of Community Health, Transportation, Corrections, Human Services, and members from the House and Senate to determine how the State can maximize its services and funding for transportation for low-income, elderly, and disabled individuals through consolidating all of the current services for these populations under one department. The workgroup shall report its findings to the Legislature by March 1, 2015.</p>
1059	<p>Background: First included FY 2014-15.</p> <p><u>Pre-College Engineering.</u> Language allocates funds to a K-12 educational program focused on the development of a diverse future Michigan workforce which serves multiple communities within southeast Michigan and which enrolls students from multiple school districts.</p> <p>Background: First included FY 2014-15.</p>
MICHIGAN STRATEGIC FUND – WORKFORCE DEVELOPMENT	
1060	<p><u>Partnership, Accountability, Training, and Hope (PATH).</u> Requires the MSF to administer the program in accordance with applicable laws and regulations including section 407(d) of title IV of the Social Security Act, 42 USC 607, the state social welfare act, 1939 PA 280, MCL 4001.1 to 400.119b.</p> <p>Background: New in the MSF budget for FY 2011-12. This section was transferred from the DLARA budget due to Executive Order 2011-4. The program name was updated from Jobs, Education, and Training (JET) to PATH in FY 2013-14. The revised PATH program was implemented January 1, 2013.</p>
1062	<p><u>Veterans Outreach at Michigan Works!.</u> Provides that a disabled veteran's outreach program specialist or employment representative must be made available by the MSF to Michigan Works! service centers as resources permit. Directs the MSF to make appropriate placement of veterans and disabled veterans a priority.</p> <p>Background: New in the MSF budget for FY 2011-12. This section was transferred from the DLARA budget due to Executive Order 2011-4. The FY 2011-12 budget removed several requirements for services and postings.</p>
1063	<p><u>Workforce Investment Act Appropriation of Carry-forward.</u> Appropriates unencumbered and unrestricted Federal Workforce Investment Act and Trade Adjustment Assistance funds from prior year and requires a report by February 1 of funds appropriated under this section.</p> <p>Background: New in the MSF budget for FY 2011-12. This section was transferred from the DLARA budget due to Executive Order 2011-4.</p>
1068	<p><u>Workforce Training Programs Report.</u> Requires a report by February 1 with detailed information on funding allocated to each Michigan Works! Agency (MWA) by fund source, number of participants, duration of training, participants in remedial education and literacy programs, participants enrolled at 2-year, 4-year or proprietary or technical training program, completion of education or training programs, employment, and average wages upon completion and securing a job within one year.</p> <p>Background: Previously the No Worker Left Behind report transferred to MSF in FY 2011-12, the budget for FY 2012-13 modified it to apply to workforce programs in general.</p>
1069	<p><u>Michigan GED-to-School Program.</u> New language lists the requirements for how the Workforce Development Agency shall administer the Michigan GED-to-School Program and requires a report to the Legislature by September 30, 2015. The program shall cover the cost of providing the GED test free of charge to individuals who meet certain requirements.</p> <p>Background: First included FY 2014-15.</p>

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Section Number	Description and History
1070	<p><u>Workforce Development Workgroup.</u> New language requires the Department to conduct a workgroup with the Dept. of Human services and members from the Senate and House of Representatives to determine the alignment of State fund expenditures with declining family assistance program caseloads. The workgroup also shall investigate possible reductions in the amount of TANF funding provided to Michigan Works!. The workgroup shall provide a report of its finding to the Legislature by March 1, 2015.</p> <p>Background: First included FY 2014-15.</p>
STATE BUILDING AUTHORITY (SBA)	
1101	<p><u>State Building Authority – Advances.</u> Provides for advances from the General Fund prior to sale of bonds.</p> <p>Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.</p>
1102	<p><u>State Building Authority - Excess Revenue.</u> Provides that facility revenue in excess of operation costs shall be credited to the retirement of bonds.</p> <p>Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.</p>
1103	<p><u>State Building Authority - Report.</u> Requires SBA to provide the Joint Capital Outlay Committee and the fiscal agencies with an annual report on the status of construction projects as of September 30 each year. The report shall be submitted by October 15, or not more than 30 days after a refinancing or restructuring bond issue is sold.</p> <p>Background: Transferred to the Treasury budget in FY 2014-15 from DTMB to coincide with the transfer of the funding for the administrative functions of the SBA to Treasury pursuant to Executive Order 2013-8. The appropriations for SBA rent to pay debt service on State-financed construction projects is still contained in the DTMB budget.</p>

REVENUE STATEMENT

1201	<p><u>Fund Balances and Estimated Revenues.</u> Provides an estimate of revenues and balances for all operating funds, pursuant to Article V, Section 18 of the Michigan Constitution.</p> <p>Background: Longstanding boilerplate section in the Treasury budget to meet the constitutional revenue reporting requirement.</p>
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PART 2A

PROVISIONS CONCERNING ANTICIPATED APPROPRIATIONS FOR FISCAL YEAR 2014-2015

1201	<p><u>FY 2015-16 Intent, Language.</u> States legislative intent that the budget for FY 2015-16 for the line items listed in part 1 will be the same as the FY 2014-15 budget, adjusted for changes in caseload and related costs, federal fund match rates, economic factors, and available revenue. The adjustments will be determined after the January 2015 consensus revenue estimating conference.</p>
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Section Number	Description and History
	Background: New language in all budgets in FY 2011-12 and continued in FY 2012-13, FY 2013-14, and FY 2014-15.